

LOVELL for CONSTRUCTION

FINANCIAL TIMES

No. 27,387 Wednesday October 19 1977 *12p

another IDC design & build contract
IDC New £8 million LIVERPOOL HEAD POST OFFICE

LAW SUMMARY

GENERAL
Police pay
Police pay
Police pay

Police pay
Police pay
Police pay

Police pay
Police pay
Police pay

Police pay
Police pay
Police pay

Police pay
Police pay
Police pay

Police pay
Police pay
Police pay

Police pay
Police pay
Police pay

Police pay
Police pay
Police pay

Police pay
Police pay
Police pay

Police pay
Police pay
Police pay

Police pay
Police pay
Police pay

Police pay
Police pay
Police pay

Police pay
Police pay
Police pay

Police pay
Police pay
Police pay

Leyland to ballot on central bargaining

BY PAULINE CLARK AND CHRISTIAN TYLER
An attempt to break the deadlock on industrial relations reforms for British Leyland's struggling cars group is to be made with a secret ballot of its 100,000 manual workers.

The decision was made by 250 senior stewards in London yesterday... The decision was made by 250 senior stewards in London yesterday...

The decision was made by 250 senior stewards in London yesterday... The decision was made by 250 senior stewards in London yesterday...

The decision was made by 250 senior stewards in London yesterday... The decision was made by 250 senior stewards in London yesterday...

The decision was made by 250 senior stewards in London yesterday... The decision was made by 250 senior stewards in London yesterday...

The decision was made by 250 senior stewards in London yesterday... The decision was made by 250 senior stewards in London yesterday...

The decision was made by 250 senior stewards in London yesterday... The decision was made by 250 senior stewards in London yesterday...

The decision was made by 250 senior stewards in London yesterday... The decision was made by 250 senior stewards in London yesterday...

Further rise in yen

By Peter Riddell, Economics Correspondent

UNSETTLED CONDITIONS in foreign exchange markets continued yesterday with sharp fluctuations in the Canadian dollar and a further rise in the Japanese yen against the U.S. dollar.

Business was described by dealers as generally quieter than on Monday... The Canadian dollar dropped sharply in early trading yesterday...

The dollar started yesterday slightly firmer in Europe, partly because of a rise in the yen... The dollar started yesterday slightly firmer in Europe...

The pound also gained against other currencies and the trade-weighted index rose from 62.4 to 62.5... The pound also gained against other currencies...

The pound also gained against other currencies and the trade-weighted index rose from 62.4 to 62.5... The pound also gained against other currencies...

The pound also gained against other currencies and the trade-weighted index rose from 62.4 to 62.5... The pound also gained against other currencies...

The pound also gained against other currencies and the trade-weighted index rose from 62.4 to 62.5... The pound also gained against other currencies...

The pound also gained against other currencies and the trade-weighted index rose from 62.4 to 62.5... The pound also gained against other currencies...



Freed hostages arrive at Frankfurt.

Terrorists commit suicide

BY OUR FOREIGN STAFF
THREE LEADING Baader-Meinhof gang terrorists were reported to have killed themselves in Stammheim jail in Stuttgart yesterday...

THREE LEADING Baader-Meinhof gang terrorists were reported to have killed themselves in Stammheim jail in Stuttgart yesterday...

THREE LEADING Baader-Meinhof gang terrorists were reported to have killed themselves in Stammheim jail in Stuttgart yesterday...

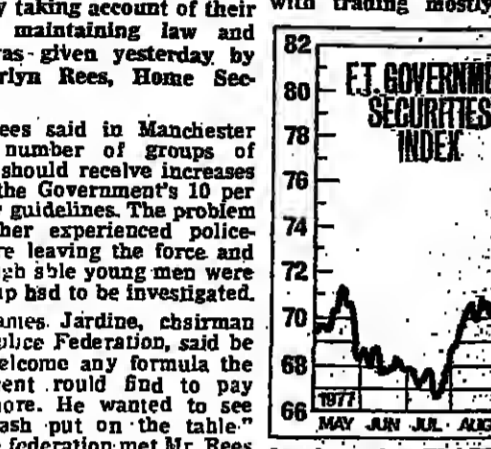
THREE LEADING Baader-Meinhof gang terrorists were reported to have killed themselves in Stammheim jail in Stuttgart yesterday...

THREE LEADING Baader-Meinhof gang terrorists were reported to have killed themselves in Stammheim jail in Stuttgart yesterday...

THREE LEADING Baader-Meinhof gang terrorists were reported to have killed themselves in Stammheim jail in Stuttgart yesterday...

THREE LEADING Baader-Meinhof gang terrorists were reported to have killed themselves in Stammheim jail in Stuttgart yesterday...

THREE LEADING Baader-Meinhof gang terrorists were reported to have killed themselves in Stammheim jail in Stuttgart yesterday...



FT GOVERNMENT SECURITIES INDEX

STERLING gained 12 points against the dollar to \$1.7740 and its trade-weighted index rose to 62.5 (62.4). Dollar's trade-weighted depreciation was 1.27 (1.25) per cent.

WALL STREET edged up 0.17 to 820.51. U.S. JUSTICE Department has launched an anti-trust lawsuit against the New York coffee and sugar exchange.

SHELL U.K. OIL plans to cut its staff by 400 over the next two years, because of the depressed oil products market.

U.K. EXPORTS to West Germany were 22 per cent higher in the first eight months of the year, apparently boosted by big shipments of North Sea oil.

RENAULT subsidiary Savim, has signed an agreement with Pakistan to set up a truck manufacturing plant involving investment of \$275m.

RECORD amount of merchant shipping was lost through accidents last year, Page 10.

PEACE MOVES have begun in the British Oxygen dispute, with the Advisory Conciliation and Arbitration Service calling in both sides, Page 10.

VICKERS, which has re-entered the market for advanced medical technology, has won orders worth over \$1m for a system that automates the production of automatic medical assay methods, Page 10.

POWER STATION workers in the Australian state of Victoria have renewed their strike, threatening to touch off a serious conflict between the Government and the unions, Page 6.

MARKS AND SPENCER made higher pre-tax profit of £32m (240.7m.) in the first half, Page 23 and Lex.

BROOKS BOND LIEBIG lifted pre-tax profit to £49.5m (240.7m.) in the year to June 30, Page 22 and Lex.

Ford vote

The chances that Ford workers in Britain will finally opt to avoid a major confrontation with the Government on pay this year improved yesterday as more than 5,000 shop floor votes went overwhelmingly in favour of the Swiss franc.

The Swiss franc, which yesterday reached its long-awaited parity with the West German mark, reached a best level of Sw.Frs.2.2674 against the dollar before closing at Sw.Frs.2.2574 against Sw.Frs.2.2674 on Monday.

Sterling had another firm day against the U.S. dollar, gaining 12 points to close at \$1.7740. The pound also gained against other currencies and the trade-weighted index rose from 62.4 to 62.5.

The pound also gained against other currencies and the trade-weighted index rose from 62.4 to 62.5. The pound also gained against other currencies...

The pound also gained against other currencies and the trade-weighted index rose from 62.4 to 62.5. The pound also gained against other currencies...

The pound also gained against other currencies and the trade-weighted index rose from 62.4 to 62.5. The pound also gained against other currencies...

The pound also gained against other currencies and the trade-weighted index rose from 62.4 to 62.5. The pound also gained against other currencies...

Demand

The dollar started yesterday slightly firmer in Europe, partly because of a rise in the yen... The dollar started yesterday slightly firmer in Europe...

The pound also gained against other currencies and the trade-weighted index rose from 62.4 to 62.5... The pound also gained against other currencies...

The pound also gained against other currencies and the trade-weighted index rose from 62.4 to 62.5... The pound also gained against other currencies...

The pound also gained against other currencies and the trade-weighted index rose from 62.4 to 62.5... The pound also gained against other currencies...

The pound also gained against other currencies and the trade-weighted index rose from 62.4 to 62.5... The pound also gained against other currencies...

The pound also gained against other currencies and the trade-weighted index rose from 62.4 to 62.5... The pound also gained against other currencies...

The pound also gained against other currencies and the trade-weighted index rose from 62.4 to 62.5... The pound also gained against other currencies...

Saudis' key role in rescue

THE RESCUE by West German commandos of 86 hostages held at a hijacked Boeing 737 in Mogadishu, Somalia, early yesterday was not only a military triumph but a striking success for international co-operation against terrorism.

Both Saudi Arabia and the U.S. were involved in persuading the Somalis to allow the use of West German troops on their soil, and France, the U.K., Greece, and Italy is thought even East Germany also lent assistance.

Saudi Arabia played an especially prominent role after a telephone call from Herr Helmut Schmidt, the West German Chancellor requesting King Khalid to use his influence on the Somali, Herr Franz-Joseph Strauss, leader of the Bavarian Christian Social Union, who was in Jeddah at the time of the hijacking, to immediately inter-

vened with the Saudi authorities at Bonn's request. It was suggested in Washington that there had been some considerable U.S. involvement in the affair.

Although Herr Schmidt spoke by telephone to President Carter, it was unclear whether the President had contacted the Somalis. Washington, however, had announced it had been "in touch with various places" where the hijacked plane was.

Following the rescue, the Somali information minister, Herr Schmidt's right hand man in the West German Chancellery and special aide in the hijack affair, also had three separate meetings with the Somali leader, and as the telephone line from Bonn was poor, a detailed telex message was sent from Bonn explaining the Government's position.

A major factor to President Siad's action was his desire to win support from Western countries, and in particular the U.S., after the decision of the national representative to take part in official post-mortems.

Meanwhile, officials feared that the freeing of the hostages held in a Boeing 737 at Mogadishu airport might lead to the death of industrialist Dr. Hanns-Martin Schleyer, held captive for six weeks by the German Red Army faction.

Italy to sign \$3bn. gas contract with Algeria

BY PAUL BETTS
ROME, Oct. 18. It is in two phases. One contract, to be signed by Sig. Sette and the Algerian authorities will cover the financial aspects of the project.

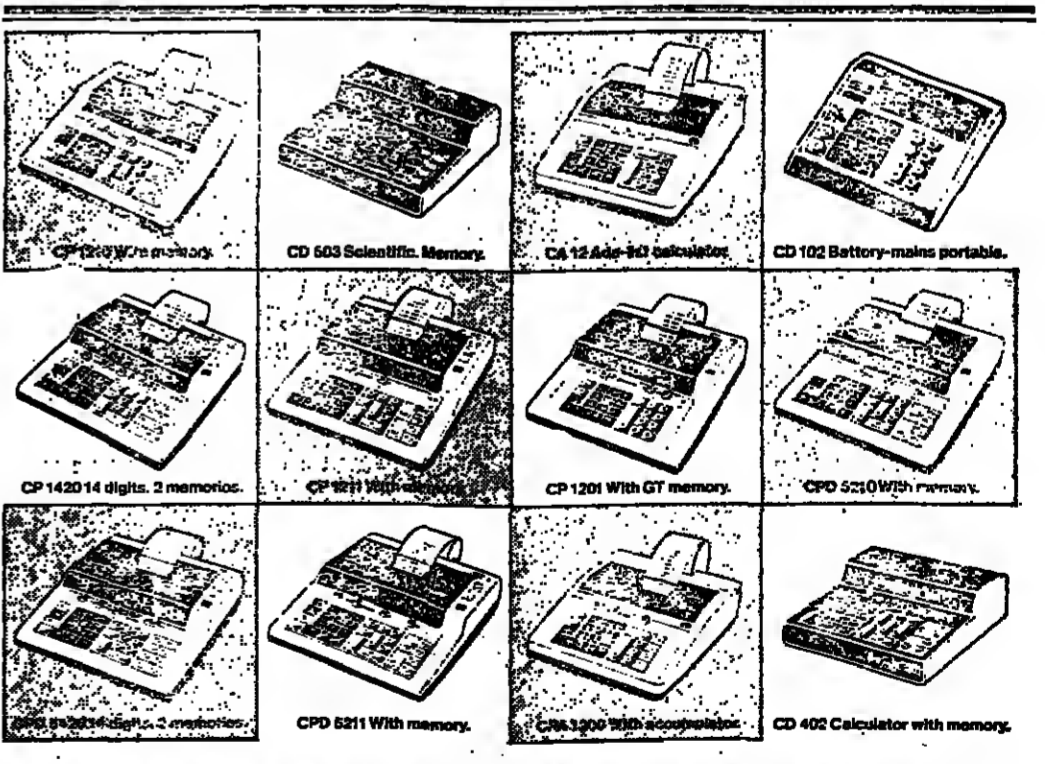
A second will involve Sig. Lorenzo Rosato, chairman of the ENI subsidiary, SNAM, and the Algerian national oil company, Sonatrach, and will deal specifically with the supply and cost of Algerian natural gas to Italy.

Although the Algerian Government has asked Italy to provide some \$350m. in credit lines for the initial stages of the project, ENI said today that this would not affect the two contracts.

The Italian inter-ministerial committee on export credits was meeting here to-night to consider the granting of a package of some \$250m. in export credits to Algeria, including nearly \$2bn. for the construction of a 100,000-cars-a-year complex at Oran by the Fiat group.

ENI said that SNAM and Sonatrach would not the project out to tender, but it was expected to go to the two engineering subsidiaries, Eni-Progetti and Saipem, which have already demonstrated that the pipeline can be laid by remote manipulation on the highly irregular seabed and that it can also be recovered and repaired.

Table with 2 columns: FEATURES and ON OTHER PAGES. Lists various news items and page numbers.



12 ways to count on Olympia.

In a world where other makes of office calculators are vanishing off the market, Olympia continues to be a name you can really count on.

Olympia Better Business Machines advertisement with contact information and a form.

NCB Pension Funds in bid for major investment trust

BY ADRIENNE GLEESON
THE National Coal Board Pension Funds last night announced that an offer might be made direct to shareholders.

That offer has not yet been made, and the excitement has been dying down in the investment trust sector, the British Investment Trust.

At last night's closing price of 122p, the trust was capitalised at £122m. However, the pension funds are planning to pitch their offer at 95 per cent of net asset value, after adjusting for contingent liabilities such as taxation on unrealised capital gains.

CHIEF PRICE CHANGES YESTERDAY

Table listing price changes for various commodities and stocks, including Land Securities, Letus Car, Lucas Inds, etc.

The Lady from Maxim's

by B. A. YOUNG

Mr Mortimer again shows himself an ideal translator of the French. The Lady from Maxim's is a play about the life of a dancer in a Parisian club in 1928. The play is written in 1968 but they are still writing it. The play is written in 1968 but they are still writing it. The play is written in 1968 but they are still writing it.



Michael Bryant, Mérag Hood and Timothy Davies

Royal College of Music

BBC Invitation Concert

by ARTHUR JACOBS

Banging, stroking, shaking, requires the taped electronic percussion instruments — at present, the most difficult piano part — provided an untroubled visual fascination at night. The occasion was a performance of that version of 'Konkakte' which

Archangel Gabriel has told her to walk about with a dab-cloak over her head. Analysing the plot of a Feydeau farce is no more help to enjoying it than analysing the plot of a Feydeau farce is no more help to enjoying it than analysing the plot of a Feydeau farce is no more help to enjoying it than...

Games People Play

by CHRIS DUNKLEY

Any television producer looking for a dead cert ratings you, knew where to go for which ever you wanted. Then commercial television arrived and, in its first four days, mounted four prize shows. Within a couple of years ITV were running eight prize shows a week and attracting vast audiences.

The second most tedious characteristic is Stuart Hall's logorrhea which he seems to have caught from Womans Own: "I want a heck of a cheer to read the night sky," he said last week, and "Watch the game unfold before your very eyes," and "Marine is beautifully attired." But Hall obviously knows that such clichés do offend his audience: according to the BBC's research figures it's A Knockout is watched by 12m viewers.

The Entertainment Guide starts on Page 36

beat Sidney Sussex, Cambridge, by 250 to 220, dashing in with the last goal in the 85th minute. Whom did the daughter of the Earl of Strathmore marry — when they were only half asked. Then in 1666 the BBC — having long since proved their mastery of the game, taught earlier by ITV — that you never ask the audiences by underestimating popular taste — launched *K's A Knockout*. Eleven years later that, too, is still running. Last week's international heat was held in England and so the games (id which clothes) were required to fall into pools of water) had to involve jolly butlers, big game men with big feet, and grinning potmen with big bellies.

The most tedious characteristic of this series is the way that in each episode, after watching a marathon "game" once, you are shown it again and again and again and again and again and again as each of the seven teams has its go.



Stuart "Coca Joste" Hall and Gennaro Olivieri in "Jeux Sans Frontières" (BBC 1)

The Mastership involves general knowledge and tests of skill — throwing a hand grenade for instance — as well as some rather crazy parlour (well, studio) games, all of them worked, however tortuously, into the espionage phase. The series benefits from having its toe tucked firmly into the cheques of question-master William Franklin ("M") and Jenny Lee Wright ("Miss Money-packer"). This gives it a huge advantage over many of its competitors which take themselves absurdly seriously.

Theatre Royal, Bristol

Hamlet by B. A. YOUNG

The Bristol Old Vic's *Hamlet* has welcome old-fashioned virtues. It falls heavily into Horatio's arms when he sees the Ghost, and continues his bonoric address to it from a semi-recumbent position. The Ghost (Ronald Forfar) splits into three, incidentally, at the lines "Thy berel tis heret 'tis gone" — "Enter, talking memento. But it shouldn't come into Gertrude's closet armed cap-a-pie, but "in big babli as he lived".

phrase like "Fie on't! To die, one complex syllable, he falls heavily into Horatio's arms when he sees the Ghost, and continues his bonoric address to it from a semi-recumbent position. The Ghost (Ronald Forfar) splits into three, incidentally, at the lines "Thy berel tis heret 'tis gone" — "Enter, talking memento. But it shouldn't come into Gertrude's closet armed cap-a-pie, but "in big babli as he lived".

Festival Hall

Gilels & Muti

by DOMINIC GILL

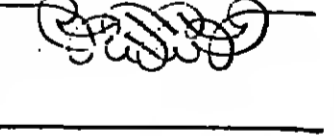
Last night's concert of Mozart and Schubmann given by the Philharmonia Orchestra under Riccardo Muti, also broadcast live on Radio 3, had as its centrepiece the B flat concerto K355, and Emil Gilels as soloist: strangely affecting account — neither the most gripping, nor even the most memorable, but too lively, for its exquisite balance of sonority, and architectural, for its very clarity, and fine, one of the most beautifully wrought performances of Mozart's last piano concerto to reach the South Bank for many years.

the larghetto in calm con moto, setting us back two paces from the music to admire its working: clear, transparent mechanism, superbly crafted. His finale was a jewel, without warmth, but glittering with bright pale light. Muti's accompaniment was respectful, unassertive. He had begun the Philharmonia's evening with a slightly ragged but good high-spirited account of Mozart's *Servante Antonia* K563, and he ended it strongly, with Schumann's third symphony — in his enthusiasm taking the slow movements a degree too fast, the finale romantically of the third especially, but giving big, jubilant force to the last and last.

WASHINGTON, D.C. A Renaissance of Graciousness

A luxury hotel in the great European tradition. Elegant, quiet, unruffled — never a convention.

THE MADISON
15th & M Streets, N.W. Washington, D.C. 20035
Phone: (202) 462-5458
Telex: 881-205-887



Richard's Rentals
Specialists in Contract Hire and Leasing

- We can provide your Company with flexible Contracts to meet individual Company needs, and reduce your Admin Costs.
- Release valuable capital, Company tax advantages, and budget control with fixed rates.
- Comprehensive rental with or without maintenance, choice of vehicles and servicing throughout the country.

YOUR MOTORING NEEDS ARE OUR BUSINESS
WINDSOR GC237 6B131

Please send me further details on...
NAME: _____
ADDRESS: _____
TELEPHONE: _____

Early Music Series at St. Bartholomew's

Dame Janet Baker, Peter Pears, April Cantelo, Gillian Weir and Neil Jenkins are among the soloists who will take part in an Early Music Series held at St. Bartholomew's Church, West Smithfield, during the next few months. Nine concerts will feature the New English Singers, the English Consort of Viols, the London Corelli Ensemble, the Wille (Elisabeth) Cathedral Choir and the Cambridge University Chamber Society.

ENTERTAINMENT GUIDE—Cont.

- THEATRES**
- ROYAL OPERA HOUSE, Covent Garden, 7.30, 9.00, 10.00. *Die Walkure*.
THEATRE ROYAL, Covent Garden, 7.30, 9.00, 10.00. *Die Walkure*.
- CINEMAS**
- ABC 1 and 2, Shaftesbury Ave, 8.30, 10.00. *The Godfather Part II*.
CANNON, Tottenham Court Road, 7.30, 9.00, 10.00. *The Godfather Part II*.
- ART GALLERIES**
- AGNEW GALLERY, 43 Bond St, W.1. *Watercolours and Drawings from the collection of Mrs. A. Agnew*.
BRITANNICA GALLERY, 100 Strand, W.C.2. *Recent Landscapes by John Constable*.
- CLUBS**
- THE ALBANY, 291, Regent St, W.1. *Music and Dance*.
THE GARDENS, 2, Grosvenor Gardens, W.1. *Music and Dance*.

THE CLAN MCCANNY

PLENTY OF APPLICANTS FOR THIS POSITION. MULTIPLY THEY REALISE THAT WE TREAT OUR STAFF WELL AT MCOONE BAGPIPES LTD.

THE WHAT? ... AT MCCANNY? IT GIVES COMPLETE FLEXIBILITY OF CHOICE IN THE BENEFITS YOU CAN PROVIDE EXECUTIVES SUCH AS OLDFELVES WITH MAXIMUM TAX SAVINGS ALL ROUND.

AND PREMIIIMS AND BONUSES ARE NOW MORE COMPETITIVE THAN EVER! MSH FRIEND THEIR BROKER WILL FILL YOU IN. WELL, GENTLEMEN, DO I FIT THE BILL?

WOULD BE HAPPIER SELLING LIFE ASSURANCE. GOODBYE!

MR MULTIPLYE WERE IMPRESSED WITH YOUR PERSONALITY AND CONFIDENCE, AND ITS OUR OPINION THAT YOU...

Ask your broker or insurance adviser about Scottish Provident, or fill in this coupon: To: Scottish Provident Institution, Freeport, Edinburgh EH2 0DH.

Name: _____
Address: _____
E2F

SCOTTISH PROVIDENT
You call it canny, we call it Provident.

EUROPEAN NEWS

Jenkins plan to aid EEC applicants

BY GUY DE JONQUIERES, COMMON MARKET CORRESPONDENT

THE NINE states in the EEC should consider launching a big programme to help Greece, Spain and Portugal raise their economic performance closer to the EEC average before they join the Community. Mr. Roy Jenkins, president of the EEC Commission, said today.

Jail sentences imposed in Czech human rights trial

BY PAUL LENDVAI VIENNA, Oct. 18.

A PRAGUE court today sentenced four Czechoslovak human rights activists, who were accused of subversive and anti-state activities to terms ranging from 14 months to 3 1/2 years in jail.

Soviet dissident agrees to leave

BY DAVID SASSER MOSCOW, Oct. 18.

MRS. TATYANA KHODOROVICH, the last remaining Soviet director of an unofficial fund in aid, political prisoners, said today she has agreed to emigrate rather than face unspecified criminal charges.

LUXEMBOURG, Oct. 18.

JET to be set up in U.K., Germany

BY ADRIAN DICKS BONN, Oct. 18.

THE PRIME MINISTER and Chancellor Schmidt today reached a compromise on the Joint European Torus nuclear fusion research project.

Well failure hits Irish hopes of oil discovery

BY GILES MERRITT DUBLIN, Oct. 18.

IRISH HOPES of an offshore oil strike have received a new and significant setback with the announcement by the Shell-Agip consortium that its 110m. well off the west coast has been abandoned.

Deadlock in Dutch crisis

BY MICHAEL VAN OS AMSTERDAM, Oct. 18.

THE DUTCH Cabinet formation talks appeared to be heading to a deadlock again in The Hague today after the largest parties, the Labour Party and the Christian-Democratic Party, failed to reach agreement on the final issue to be resolved, the distribution of Cabinet portfolios.

PORTUGUESE INDUSTRY CRITICISES GOVERNMENT

BY OUR OWN CORRESPONDENT LISBON, Oct. 18.

THE CONFEDERATION of Portuguese Industry (CIP), which represents about 30,000 private companies, has retorted sharply to President Antonio Ramalho Eanes' recent veiled criticism of management and his exhortations for managers to behave patriotically, invest productively and seek democratic dialogue with workers, aiming at a social contract.

Credits honeymoon is over

BY DIANA SMITH IN LISBON

SR. MARIO SOARES, the Portuguese Prime Minister, has few honours exceptions in credit far obtained international support without excessive difficulty thanks to his international prestige and his action in 1975, when he mobilised hundreds of thousands of citizens in a campaign against a Communist takeover. Now, the financial honeymoon is over.

Political uncertainty has aggravated the doubts of private management. Wildcat and official strikes have cost Portugal a fortune in man-hours.

State-owned companies, with a few honours exceptions in ship repairs and transport materials, have not done well in the past two years. Private companies have suffered from a lack of capital. Management has been hesitant to invest and there has been a fall in foreign competition in textiles and leather goods.

Spanish Prime Minister arrives in London to-day

BY ROBERT GRAHAM MADRID, Oct. 18.

SR. ADOLFO SUAREZ, the Spanish Prime Minister, leaves here for London to-morrow on the first official visit by a Spanish Premier to Britain since the civil war.

Kreisky renews criticism of central bank chief

BY OUR OWN CORRESPONDENT VIENNA, Oct. 18.

DR. BRUNO KREISKY, the politician rather than a central bank chief, has renewed his criticism of the Director of the Austrian Federal Bank, Dr. Heinz Kienzl, Director and Finance Minister of the Central Bank.

Deadlock in Dutch crisis

BY MICHAEL VAN OS AMSTERDAM, Oct. 18.

THE DUTCH Cabinet formation talks appeared to be heading to a deadlock again in The Hague today after the largest parties, the Labour Party and the Christian-Democratic Party, failed to reach agreement on the final issue to be resolved, the distribution of Cabinet portfolios.

Deadlock in Dutch crisis

BY MICHAEL VAN OS AMSTERDAM, Oct. 18.

THE DUTCH Cabinet formation talks appeared to be heading to a deadlock again in The Hague today after the largest parties, the Labour Party and the Christian-Democratic Party, failed to reach agreement on the final issue to be resolved, the distribution of Cabinet portfolios.

Advertisement for Avenue Foch, featuring a large image of the building and text describing its location and amenities. Includes address: 50, Avenue Foch, 75116 Paris. Tel. 500.44.85.

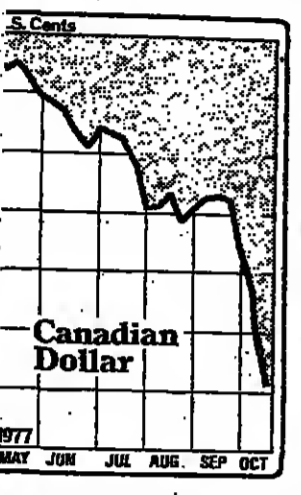
Advertisement for TRANS CARE INTERNATIONAL, providing information about a Direct Priority Communications Assistance Scheme for company directors and personnel travelling or working overseas. Includes contact details for The Director, Services Division, Transcare International Limited.

Handwritten signature or mark at the bottom center of the page.

AMERICAN NEWS

Canadian \$ slumps to lowest level since early 1930s

JAMES SCOTT TORONTO, Oct. 18. CANADIAN dollar has now fallen to its lowest level relative to the U.S. dollar since the early 1930s...



Canada does not intend to use exchange controls, as has rumoured for the past two weeks. The decline in the past week attributed by foreign exchange...

SEC plans options investigation

By Our Own Correspondent NEW YORK, Oct. 18. THE U.S. Securities and Exchange Commission (SEC) today announced a major investigation into abuses in the stock options markets...

U.S. proposes to store spent N-fuel

WASHINGTON, Oct. 18. THE CARTER Administration proposed today that the U.S. government should take over responsibility for the storage of spent fuel from nuclear power plants both here and overseas...

Brzezinski forecasts arms 'parity'

WASHINGTON, Oct. 18. THE NEW strategic arms agreement with the Soviet Union will displace past "parity" equality between the two superpowers...

Steel chief backs hard line on dumping

NEW YORK, Oct. 18. MR. EDGAR SPEER, chairman of United States Steel, the largest U.S. steel company, today said...

Pay, price controls to end

OTTAWA, Oct. 18. GENERAL wage and price controls will be ended early next week, Queen Elizabeth said in a speech opening Parliament...

Shah to visit Washington

WASHINGTON, Oct. 18. THE SHAH of Iran will pay an official visit to Washington on a November 11-12 day...

Strike ends in Dominica

BRIDGETOWN, Oct. 18. A STRIKE by civil servants in the British Associated State of Dominica, in the Windward Islands, ended today...

World Bank travel row

WASHINGTON, Oct. 18. SENIOR officials of the World Bank have used the Concorde supersonic airliner about 500 times in the past year, a bank spokesman confirmed today...

Whatever happened to National Carriers?



We simply changed for the better. We're now carrying on under a number of different banners. Each one designed to meet specific customer needs...

Fashionflow. The 'haute couture' service of the transport business. If its in fashion, it should move with the times. With us.

Medallion. Your promise, we guarantee. Our consignment delivered in three working days. Or your money back.

Irish Service. Forget the Irish Sea, to us it's a motorway. We take full responsibility from door-to-door.

For full details of our services please contact Len Mavbanks, General Sales Manager, National Carriers House, 2 Bishops Bridge Road, London W2 1JR. Telephone: 01-221 7088.

NATIONAL CARRIERS GROUP

National Carriers Limited, A member of the National Freight Corporation. Other services include: Chinaflow, European Services, National Distribution, Homeward Home Delivery Service, and Renova Replacement Units.

OVERSEAS NEWS

Power workers in Victoria strike again

BY KENNETH RANDALL CANBERRA, Oct. 18.

ABOUT 2,300 maintenance workers in Victorian Government power stations went on strike "indefinitely" today, threatening to precipitate the most serious industrial confrontation in Australia of the past 30 years.

Tiny Rowland returns to Lusaka

BY OUR FOREIGN STAFF

ZAMBIA yesterday gave its first public confirmation that Mr. Rowland (Tiny) Rowland was the middleman who organised last month's secret meeting between Mr. Ian Smith, the Rhodesian Prime Minister, and President Kenneth Kaunda of Zambia.

game lodge in the Luangwa Valley Park, eastern Zambia. Official spokesmen refused to say what he was doing in Zambia with the same Grumman Gulfstream 2 executive jet aircraft that brought Mr. Smith to Lusaka on September 25.

Smith says U.S. should detach itself from U.K.

BY DAVID BELL

WASHINGTON, Oct. 18.

THE U.S. is being "dragged along by Britain into imposing a preconceived solution" in Rhodesia, Mr. Ian Smith, the Rhodesian Prime Minister, said in an interview published here this morning.

S. Africa troops must quit Namibia, insists Nujoma

BY OUR OWN CORRESPONDENT UNITED NATIONS, Oct. 18.

MR. SAM NUJOMA, president of the South-West Africa People's Organisation (Swapo), today offered cautious encouragement to the five Western members of the UN Security Council to continue their efforts at a negotiated solution with South Africa of the problem of Namibia (South-West Africa).

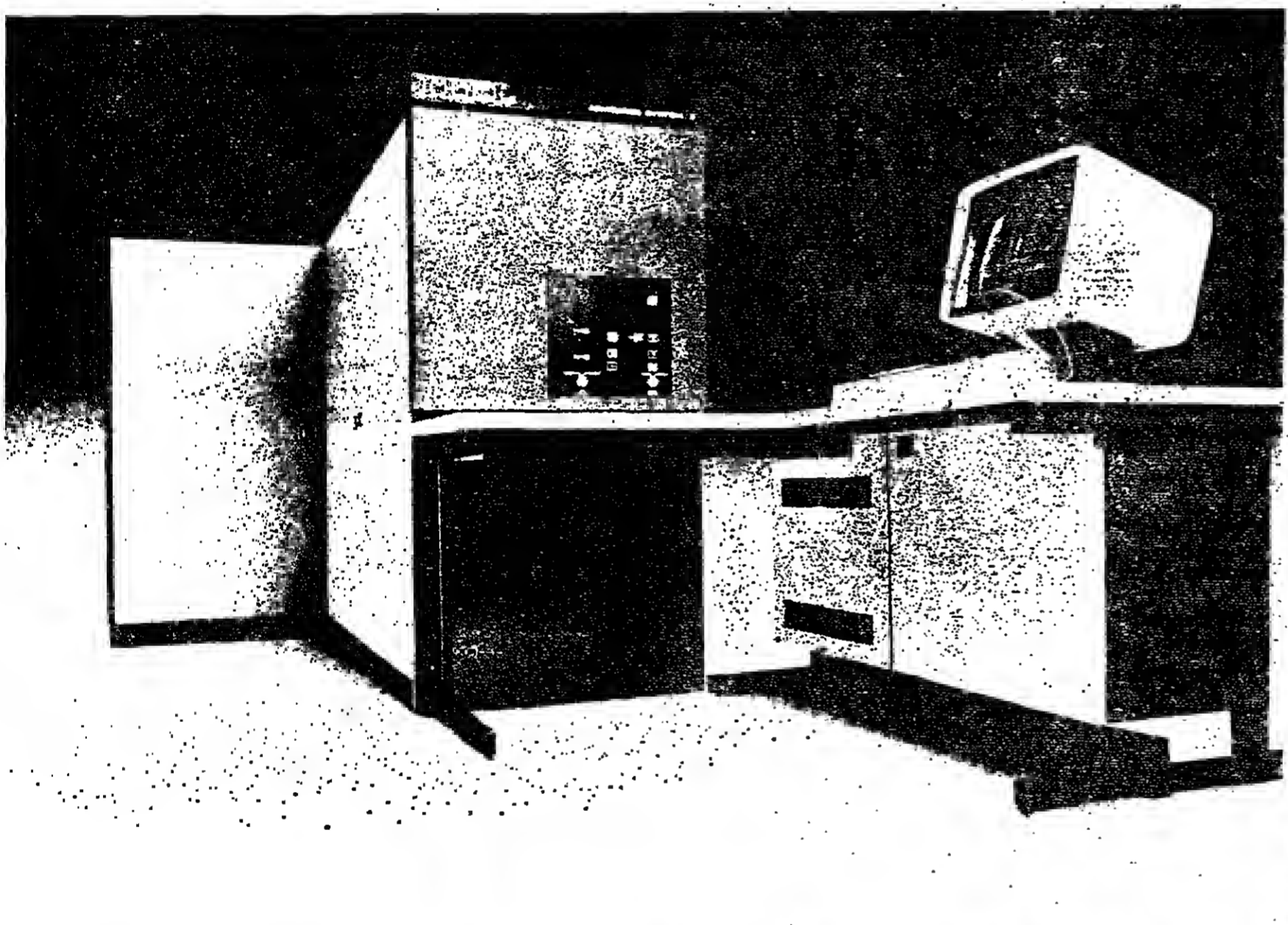
MALAYSIA'S RULING PARTIES

A coalition splitting at its seams

BY WONG SUI-LONG IN KUALA LUMPUR

MALAYSIA'S ruling national front, a grand coalition of 11 distinct administrative groups, is splitting at its seams.

After remaining in opposition for so long, the Party Islam finally succumbed to the late Tun Razak's inducements in 1974 to join the national front—the joint Premier's idea of an all-embracing coalition to reduce political instability.



By offering you less the Advanced System gives you very much more

- *Less cost *More price performance
*Less to go wrong *More reliability
*Less floor space *More advanced technology
*Less heat (about 9° cooler) *More standard features
*Less weight *More circuits per chip

ITEL's Advanced System is a family of fully IBM-compatible computers. Can you do less than find out more. ITEL INTERNATIONAL Keep your options open

Transkei loan faces sceptical capital market

By Quentin Peel

JOHANNESBURG, Oct. 18.

THE INDEPENDENT Bantustan of South Africa, Transkei, is to approach the Johannesburg capital market this week for a loan scheduled at R16m (£10.6m).

DMC may now join Begin coalition

By David Lennon

TEL AVIV, Oct. 18.

PROSPECTS that the narrow coalition Government of Mr. Menachem Begin, the Israeli Prime Minister, may be broadened by the addition of the Democratic Movement for Change, have been revived following secret talks between the parties.

DAILY FLIGHTS TO NEW YORK.

Iran Air have flights to New York every day of the week. All by Jumbo. Either our latest plane, the 747-200B; or the 747SP, the 'Special Performer'. All leaving Heathrow at 14.15. And arriving at 16.45 at JFK's speedy 'Worldport' terminal. For details, or to make reservations, see your travel agent. IRAN AIR The world's fastest growing airline.

Loh The quarterly report as of 30th June, 1977 of Leveraged Capital Holdings N.V. has been published and may be obtained from PIERSON, HELDRING & PIERSON N.V. Amsterdam.

WORLD TRADE NEWS

West German imports of U.K. goods soar 22%

BY GUY HAWTHORN

FRANKFURT, Oct. 18.

BRITAIN'S exports to West Germany rose by close to 22 per cent in the first eight months of the year. Growth appears to have been accelerating steadily...

Vickers wins \$1m. orders for analysers

By David Fishlock Science Editor

VICKERS, the engineering group, marked its re-entry into the market for advanced medical technology by announcing yesterday that it had won orders worth more than \$1m. for a system that doubles the productivity of automatic medical assay methods.

EEC check on Comecon trade deals

BY KEVIN DONE, CHEMICALS CORRESPONDENT

THE EUROPEAN Commission is to consider ways of monitoring the growing number of compensating trading deals with Comecon countries. The deals, in which more and more of the large plants being built by West European, U.S. and Japanese contractors in an Eastern bloc are to be paid for in products or other goods rather than currency, are causing mounting disquiet, particularly in the chemicals industry...

for anti-dumping measures have to be improved, both as regards definition and application. The concept of a European selling price would greatly facilitate the application of anti-dumping procedures to imports from Comecon countries in which the domestic selling price was arbitrarily fixed by State agencies, rather than determined by market forces.

Renault offshoot to build truck plant in Pakistan

BY IQBAL MIRZA

KARACHI, Oct. 18.

THE Government of Pakistan and Renault, a subsidiary of Renault, have signed an agreement to set up a commercial trucks manufacturing plant in Pakistan. The project will involve a total investment of about \$27.5m and will eventually manufacture 6500 trucks, bus chassis and diesel engines per annum...

France in Olympics deal

BY DAVID SATTER

MOSCOW, Oct. 18.

THE French electronics firm Thomson CSF has signed a contract estimated at Frs.200m. (£23.3m.) with a Soviet trading organisation to equip a television centre for the 1980 Moscow Olympic games. Thomson CSF defeated West German and American competition to gain the contract...

Soviet talks with R-R

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE Soviet Minister for the Gas Industry, Mr. S. Orudskiy, yesterday met Sir Kenneth Frith, chairman of Rolls-Royce, in London, for talks on possible further Soviet orders for engines for gas-pumping purposes. The Soviet Union a year ago placed £100m worth of the Coburn consortium, which includes Rolls-Royce, Cooper-Bessmer and Williams International, for Avon gas-pumping engines for a 600-mile Siberian pipeline.

Canada moves on steel dumping

OTTAWA, Oct. 18.

THE Canadian Department of National Revenue Customs and Excise has ruled that stainless steel from Japan, West Germany and South Africa is being dumped on the Canadian market. The ruling applies to stainless steel plate from the three countries and stainless steel sheet from both Japan and West Germany.



Instead of throwing money away on wasted energy, why don't you shove your exports into the drink?

Who cares about those carefully-wooded Japanese export orders, those hard-won contracts against tough-bargaining German competitors? Ditch the lot in the sea. Happily watch your profits float off into the sunset. You might just as well. You're probably throwing an equivalent amount of money away every year in wasted energy.

are three different numbers. Dial 100 and ask for Freefone 3140 for buildings queries. For production and transport its Freefone 6222 in England and Wales, and Freefone 8305 in Scotland. Second, use the coupon to send off for our wide range of energy saving technical booklets. They're free and cover many aspects of industrial energy loss.

air from the air compressors to warm work areas. And with the money saved, you could afford to take on a couple more salesmen to open up new export markets.

Form with fields for Name, Company, Address, and Postcode. Includes a 'SAVE IT' stamp.

HOME NEWS

Imps launches bitter attack on Government

BY STUART ALEXANDER

THE GOVERNMENT is sharply attacked by Imperial Tobacco today for ambivalence over tobacco substitutes. Imperial describes as sheer nonsense the accusations "often in intemperate terms" made "on behalf of a body appointed and financed by the same Government with whom the policy which led us to introduce New Smoking Material was agreed."

Rio Tinto seeks extension of company affairs privilege

FINANCIAL TIMES REPORTER

RIO TINTO-ZINC is seeking a significant change in the law on privilege in company affairs. This has become clear in submissions to the Lords, where RTZ has brought an appeal which would prevent it from having to give evidence in a U.S. court.

Brent Walker to build Oxford Street shopping village

BY JOHN BRENNAN, PROPERTY CORRESPONDENT

BRENT WALKER, the leisure group run by ex-bosser Mr. George Walker, is to build a shopping village in Oxford Street in London's West End. The group has taken a 20-year lease on one of Woolworth's two Oxford Street stores and plans to inject a full-scale shopping centre, complete with paved streets and separately fronted stores, into the building's three retail floors.

Fuel rebate scheme to help 3m. people

BY JOHN LLOYD

MORE THAN 3m. people will be eligible for help with electricity bills this winter. But the scheme has met with criticism from voluntary organisations concerned with the poor and the elderly.

Jubilee boost for jewellers

BY CHRISTOPHER DUNN

THE QUEEN'S Silver Jubilee has brought a boost to jewellers, who have also benefited from accelerating demand for gold, hallmarking figures for the three months to the end of last month show.

Liberals give list for inclusion in the Queen's Speech

BY RUPERT CORNWELL, LOBBY STAFF

THE LIBERALS yesterday took to the Government a shopping list of items they want included in legislation during the next session of Parliament, to ensure as strong a Liberal imprint as possible on the Queen's Speech at the start of November.

EEC reform move 'a retreat'

BY IVOR OWEN, PARLIAMENTARY STAFF

LORD GEORGE BROWN, the former Foreign Secretary and deputy leader of the Labour Party, yesterday sharply criticised the Prime Minister's proposals for reforming the EEC. He described them as essentially a retreat to Gaullism.

Craig to work on Rights Convention

By Our Belfast Correspondent

MR WILLIAM CRAIG, leader of Ulster's Vanguard Unionist Party and MP for Belfast East, has been given the task of updating the European Convention of Human Rights.

New plans to keep apart violent rival marchers

BY RHYS DAVID

COMPULSORY NOTIFICATION of all marches to the police so that rival marchers could be banned is among the ideas being considered in the review of the working of the Public Order Act instituted by the Government after clashes between the National Front and the Socialist Workers Party.

Benn accused of delay

By Ray Dafter, Energy Correspondent

MR ANTHONY WEDGWOOD BENN, the Energy Secretary, was last night accused of delaying tactics in formulating an energy strategy.

Windscale inspector refutes inquiry critic

BY IAN BREACH

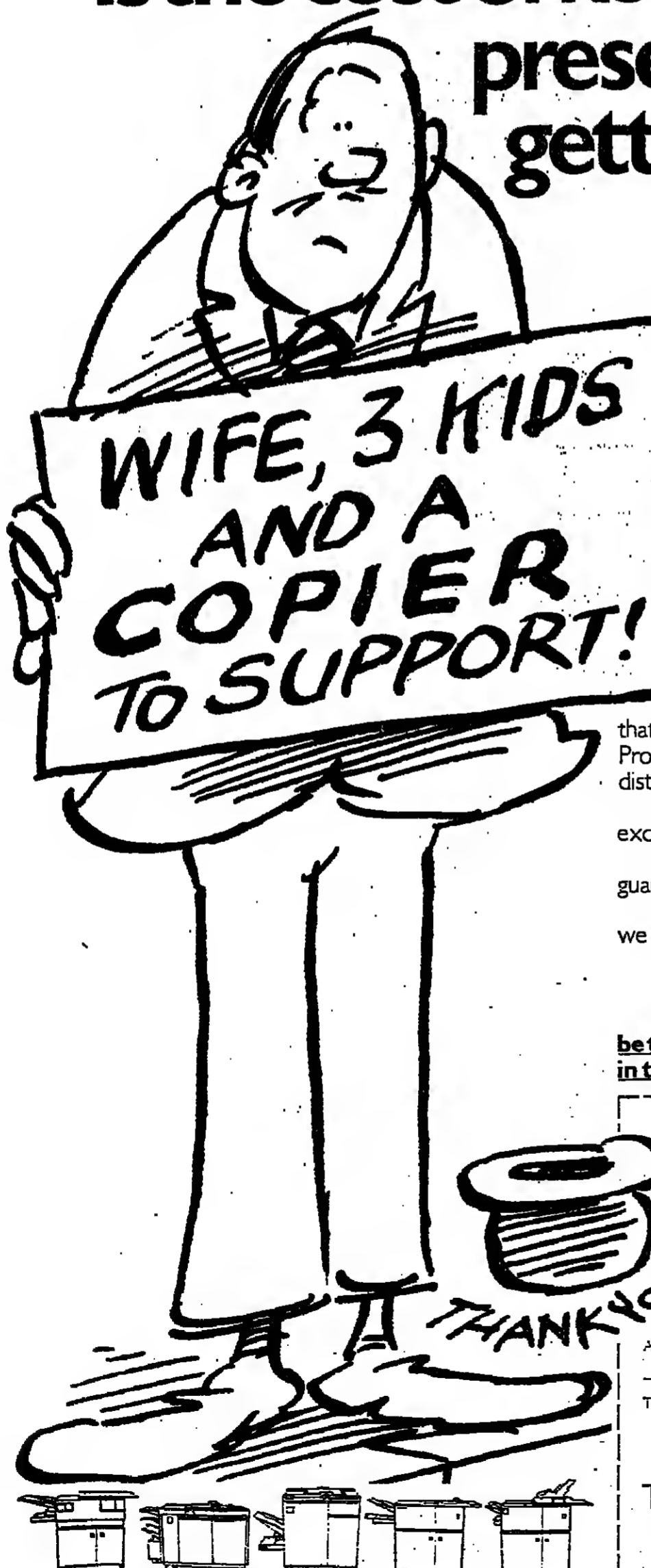
BRITISH NUCLEAR Fuels "has made available as much information as is likely to be provided by any company in any country in the world," the inspector at the Windscale public inquiry, Justice Parker, said yesterday.

U.K. introduces new radiation check

BY DAVID FISHLOCK, SCIENCE EDITOR

BRITAIN HAS introduced a new highly automated system of measuring the amount of radiation actively received by those who work with radiation.

Is the cost of keeping your present copier getting beyond a joke?



With the way some copying prices have risen, you might be looking on your present copier as a bit of a luxury. In which case, allow us to introduce you to a Canon copier. There are five models at present, ranging from our small, desk-top NP50 right up to the NPA2 which produces copies up to 18" x 24".

Form with fields for Name, Position, Company, Address, Telephone, and a large 'Canon' logo at the bottom.

berals give
inclusion
Queen's S

How did North Sea oil get where it is? Picture an enormous compost heap, working under pressure for 280,000,000 years."

Mobil geophysicist Ian McClelland likes to amuse friends who ask how North Sea oil was formed, with the compost comparison. Actually, his answer isn't too far from the technical truth.

The North Sea covers a collection of geological basins hundreds of millions of years old, in which heat and pressure have turned organic matter into oil and natural gas.

Some organic matter, together with particles of rock, has eroded from the land surrounding the sea, and settled in the basin to form layers of sandy sediment on the bottom. Then too, over aeons, a steady rain of marine animals has fallen to the sea bottom. Their remains have mixed with the sediments.

"Over millions of years", says McClelland, "these sediments have piled up and up. Their weight actually causes the basin itself to sink. And so the process goes on".

Pressure created by this weight, combined with the heat at great depths, can create the conditions under which oil and gas are sometimes formed. It is something like a sophisticated garden compost heap breaking down, miles under the sea bed.

The oil and gas at first are scattered throughout the sediments, but eventually

become concentrated in certain areas. "These are the 'oil fields' everybody talks about", explains geophysicist McClelland. The same pressures and heat which help generate oil and gas also work on the sandy sediments, compressing them into rock. Fluids in the newly-formed rock are partially forced out and percolate upwards through interconnected pores. These fluids are sea water and the newly formed oil and gas.

The oil and gas are lighter than the sea water and, over millions of years, migrate upward through the rocks as long as a path is open to them. A great deal of oil and gas is trapped where solid layers of rock block its upward movement, creating a potential petroleum reservoir.

The great fields of the Middle East, South America, the Southwestern United States, Indonesia, and Alaska were created by the same process. Mobil has been a major participant in all these areas.

"Oilmen knew from seismic readings and from drilling around the edges that the North Sea had covered ancient basins", says Ian McClelland, "so they knew the sedimentary history essential to the formation of gas and oil was there".

Onshore, at the edge of one North Sea basin, the Dutch found large gas deposits in 1959. By the early 1960s, oilmen were ready to tackle the North Sea, and Britain licensed the first drilling in its sector.

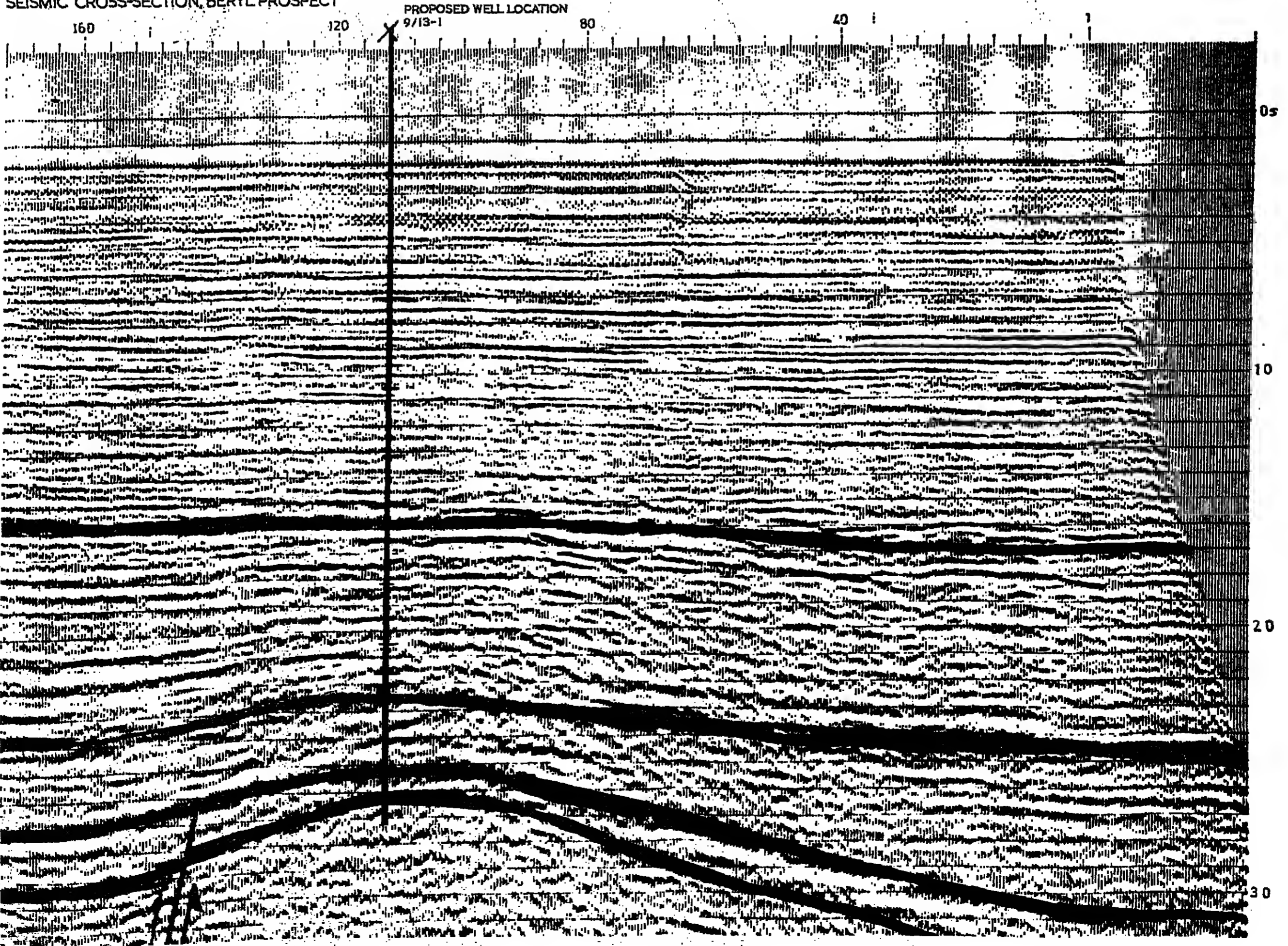
"We felt we knew where gas could be found, based on the experience in the Netherlands", McClelland recalls. "And our ideas worked in the southern North Sea, where large gas fields were found in conditions like those on the Dutch mainland". When gas exploration reached maturity, the search shifted naturally to the North. In 1969, a significant oil well was tested in the Norwegian sector. Soon after, Britain's first oil field was confirmed.

Geophysicist Ian McClelland and his colleagues, we are happy to say, have led Mobil to an important discovery in the North Sea—the Beryl field.

Mobil

No. 2 in a series on North Sea operations. For the complete set, write to Mobil North Sea Limited, Mobil Court, 3 Clements Inn, London WC2A 2EP

SEISMIC CROSS-SECTION, BERYL PROSPECT



ive "a retire

ans to keep
rival marche

ale inspect
inquiry cit

nation check

If the engineering of the Mercedes 200 impresses you,
 Or the luxury of the Peugeot 604 appeals to you;
 If the safe design of the Volvo 244 reassures you,
 Or the styling of the Audi 100 attracts you;
 If the smooth performance of the BMW 520 excites you,
 ...and you want an executive saloon with an extremely
 high level of equipment, Datsun presents...



The New Laurel Six!

Because the New Laurel Six gives you meticulous Datsun engineering, with the luxury of "soft-touch" cloth upholstery and thick carpets; the very latest safety techniques and features for your protection; crisp up to the minute styling; the performance of a smooth and powerful 2-litre, 6 cylinder engine; and a full complement of high luxury equipment from fibre optic head and tail lamp monitors to a quartz digital clock!

Datsun engineers are precise people. What they design on paper they reproduce exactly in the factory, not accepting any compromise for the sake of mass-production.

And with the New Laurel Six they set out to offer the best executive car qualities in one impressive 2 litre luxury saloon. Now you can see how well they have succeeded.

High quality engineering is immediately apparent when you see the superb finish of the New Laurel Six and hear the quiet "clunk" as the doors close.

The luxurious interior is spacious and supremely comfortable. Deeply upholstered seats are scientifically designed to keep you in comfort, and the appointments are worthy of a car many times the price. There are wall-to-wall deep pile carpets, thickly padded head restraints for the front passengers and corner head rests for those in the rear seat; a push-button radio and auto-reverse stereo cassette

player to entertain you while you travel; a highly accurate quartz digital clock to keep you on time for business appointments; an economy indicator to help you drive at optimum engine efficiency; tilt-adjustable steering for your greater comfort; an array of warning lights, including one that will tell you if a passenger has not closed a door properly; a vanity mirror in the illuminated glove box; a special compartment for your favourite cassettes; superb alloy road wheels; and a host of other special features which your Datsun Dealer will show you.

The 2-litre overhead camshaft engine gives the New Laurel Six a powerful advantage over most of its competitors because it has the smoothness of 6 cylinders instead of the more conventional 4 cylinder unit.

The performance is as impressive as the rest of the car with a maximum of over 100 m.p.h. and economy in everyday driving of around 26/27 miles to each gallon of low-grade petrol.

Yet the New Laurel Six will not cost you anything like the £6695 of the Peugeot 604, or even £5729 of the BMW.

The New Laurel Six is priced at just £4095, which represents remarkable value for money for such an impressive luxury car.

The New Laurel Six executive saloon is on display at your Datsun dealer now. We think you'll find more reasons to want it than any other car in its class.

Price quoted include Special Car Tax, VAT and inertia reel seat belts.

DATSUN U.K. LIMITED, DATSUN HOUSE, NEW ROAD, WORTHING, SUSSEX, TEL: WORTHING 68561



McLEOD RUSSEL

"Excellent Results"

reports Sir John Brown, the Chairman

- * Profit before taxation for the year to 31st March 1977 amounted to £5.78 million and the profit attributable to shareholders at £1,715,000 exceeds the estimate made at the interim stage by £205,000.
- * H.M. Treasury have stated that the Company falls within the intended scope of the Treasury announcement of 20th October, 1975 and is accordingly not subject to current regulations on dividend controls. This has enabled the Directors to recommend dividends on the Preferred Ordinary and Ordinary shares of 10p (net) per share.
- * By the amalgamation of our remaining subsidiaries operating in India into McLeod Russel (India) Limited it is hoped to complete by the end of 1977 the reorganisation of our Indian businesses and the introduction of Indian capital therein.
- * The Group's prosperity still depends to a large degree on the outcome of its tea activities. Crops produced during the year by our estates and those of Teta-Finlay Limited showed an increase of 4½% to 55.32 million kgs. The most significant factor during the year and subsequently that tea is still historically cheap in comparison to other soft commodities and it is essential that adequate profits should continue to be earned to permit necessary capital investment in development, buildings, plant and machinery.
- * Increased shipments of tea for sale in London have resulted in satisfactory utilisation of Buchanan's Warehouses and prospects are encouraging. In the packaging division Branchley & Co. showed improvement but Morrell Grave Packaging produced a loss and plans for reorganisation are currently in hand.
- * The recent upturn in share prices has benefited the company and we are well placed to take advantage of the improved investment climate. We have recently acquired 29.9% of Malayalam Plantations Limited which has extensive tea and rubber interests in Southern India as well as investments in this country.
- * Crops from India for the period to 31st August 1977 show substantial increases and early crops have been sold at satisfactory prices. Provided future prices are not subject to violent fluctuation I am confident that results from our tea operations will be maintained and possibly improved. The profitable outcome of a property trading transaction will be reflected in the current year's accounts.

COMPARATIVE RESULTS

	1977	1976
Group turnover	£16,937	£11,604
Profit before taxation	5,782	2,401
Profit attributable to shareholders	1,715	771
Proposed Preferred Ordinary and Ordinary Dividends—10p net	403	142
Profit retained	1,221	625
Earnings per Preferred Ordinary and Ordinary share	40.33p	34.99p

Copies of the Report and Accounts are available from the Secretary, McLeod Russel & Co., Limited, Victoria House, Vernon Place, London WC1B 4DH.

A Bank for the great unbanked

By JOHN LLOYD

BEHIND a variety of closed doors, discussions on the formation of a State Bank are being conducted. The idea at the back of everyone's mind is that the bank will compete with the "big four" clearing banks, offering roughly similar services.

But the desired result is all these discussions have in common, and even that is defined in a variety of different ways. For the conception of a State Bank brings together in the Labour movement, sound commercial sense and socialist idealism.

The idealistic dimension of the concept of the bank has a century's history behind it, and has depended, paradoxically, on the general success of the English clearing banks in establishing a rapid and convenient transfer payment service. Two effects, it is argued, flowed from this success. First, it was a success only for the middle classes; the working classes had no bank accounts and were assumed not to be worthy of the banks' attention.

Secondly, the popularity of the clearing banks with their individual customers was achieved at a certain cost. As the historian of the National Giro puts it: "The excellence of the money transmission service provided by British banks for their customers was of course a direct result of their decision to act as banks of deposit, rather than as industrial bankers, as was the case with Continental banks, especially those in Austria, Germany and France."

At the same time, the historic imperfections of the clearing banks in favouring the consumer against industry have become increasingly a concern of the Labour Party. The groundswell of opinion in the Party—that banks, together with the other financial institutions which take the generic name of "The City," were starving the "real economy" and causing unemployment—took active political form at last year's Labour Party Conference.

Concentration

The higher liquidity of British banks meant less direct involvement in industry and much more concentration on meeting the short-term needs of their customers, including the provision of a swift and efficient payment system. It has long been insufficiently recognised that the inevitable counterpart of the long history of complaints by academics and industrialists that British banks failed to do all that they should to assist the development of British industry was this counter-emphasis on an efficient transfer-payment system.

Thus the demand for a transfer payment system outside the clearing banks tended to be identified with the working class, with the trade unions, which represented them indus-

trially, and with the political Left, which sought to represent them politically. As an added reason, the trade unions, acquiring membership rapidly at the end of the 19th century, needed cash transfer facilities on a big scale. Disliking the capitalist clearing banks, they put pressure from the 1890s onwards on the Post Office to provide a Giro.

The achievement of the limited aim came late: National Giro was only established in 1968. By then, time and pragmatism had dissipated many of the objections which trade unions had against the clearing banks: they were among the banks' best customers, and few switched to Giro.

Yet the "unbanked" still stands at over 40 per cent. of the adult population; and that 40 per cent. is still overwhelmingly workers who are paid weekly, in cash. Thus the idea of a fully-fledged State-owned bank which can serve the working class preserves its appeal to the Left, and to the idealistic side of the trade unions.

While the report remains confidential, it is not thought to be wholly enthusiastic. First, one of the biggest institutions the study group consulted, the National Savings Bank, is not at all keen on the merger. In the projected scheme, it would supply the deposit side of the new bank, with Giro providing the current account side. But the NSB thinks it does very well as it is, offering 5 per cent. interest on deposit account and 9 per cent. on investment account.

Deposit facilities

But Giro, under its forceful second director, Mr. Alfred Singer, constantly nagged the Government and Post Office to give it the NSB. Mr. Singer resigned some months ago to manage the massive Post Office pension fund. The attitude of his successor at Giro, Mr. Sam Walwright, is proving less easy to interpret. While not repudiating the Singer attitude, he has quietly introduced limited deposit facilities for Giro.

The Treasury group must also have had regard to the further purpose of the State Bank as argued within the Labour Party. That is to act as a channel of funds into industrial investment. Evidence to the Wilson Committee—its own product of the Prime Minister's attempts to defuse criticism of the financial houses—seems to suggest that investment starvation is not a major cause of industrial sluggishness. So is there any need for a bank which is committed to investing in industry? And would such investment show sufficient returns to make the bank competitive against the "big four?" The Treasury is believed to be sceptical.

Autonomous

However, those in favour of "authoritative interference" have not wasted their time during the last year. The Labour Party's banking and finance sub-committee, an offshoot of the NEC's home policy committee and chaired by Mr. Eric Heffer, a leading Left-wing MP, has been taking soundings among the unions concerned with banking and finance. It has discovered a considerable lack of enthusiasm for nationalisation of the banks, civil servants.

It is this to be the outcome then Mr. Callaghan—adding the mantle of Mill to the Robert Moses—will have displayed a readiness for which his admirers have for long given him credit. Even more typically with the assistance of the trade unions, whose mood he is said to read so well.

It was for these reasons, then, this year's party conference did play such a happy amity. It was, after all, surprising that only one year after a debate in which the issue had been burning one, the conference should pass by the nationalisation of the banks without a glance. Such was the silence, indeed, that the more acute among Labour Party watchers inquire why the dog had not barked. Explanations abounded among Labour MPs. These included the conspiratorial one to the effect that the Prime Minister had told Mr. Heffer he would oppose a motion calling for the abolition of the Lords if Mr. Heffer agreed to quietly drop nationalisation of the banks.

* National Giro, by City Dispatch and Outlook, 23.10.

APOLLO

Edited by Denys Sutton

The world's leading magazine of Arts and Antiques

Published Monthly price £1.50 Annual Subscription £21.00 (Inland)
Overseas subscription £24 USA & Canada Air Assisted \$48

Apollo Magazine, Bracken House, 10, Cannon Street, London, EC4P 4BY. Tel. 01-248 8000

GEOBANKING

The Manufacturers Hanover Way of Worldwide Banking



Geobanking.
A massive copper mine in Mexico.
A nuclear plant for the world's largest power company.
A shipment of grain for Eastern Europe.

Geobanking.
It is money moving and working around the world.
It is the Manufacturers Hanover way of worldwide banking.
Unlike most major international banks, Manufacturers Hanover does not enter a region or a country with a rigid operational philosophy. Instead, it adopts a way of banking that works best for a particular place at a particular time.



Geobanking.
In some countries, it dictates the opening of full-service banking offices, such as the Manufacturers Hanover branch in Frankfurt.
In others, it calls for the setting up of a specialized subsidiary, such as Manufacturers Hanover Asia, Ltd., the Hong Kong merchant bank.
And elsewhere, it may mean reliance on representative offices working with indigenous banking systems to form one of the most extensive correspondent networks of any U.S. bank.

Geobanking.
It is wholly responsive, since it fine-tunes banking to national and regional needs. It is flexible, admitting swift adjustment to changes in prevailing conditions.
And Geobanking is synergistic, enabling Manufacturers Hanover to marshal strengths from the worldwide resources of a \$30-billion organization.

MANUFACTURERS HANOVER
The banking source Worldwide.
Headquarters office: 390 Park Avenue, New York, N.Y. 10022

Geobanking® is a registered trademark of the Manufacturers Hanover Corporation for its banking services.

Incorporated with Limited Liability in U.S.A. Member FDIC

Handwritten signature or mark at the bottom of the page.

"Is it not time that we were all given the full facts in a clear and dispassionate way instead of being flooded with emotive propaganda..?"

Lord Winstanley, in an article on tobacco substitutes in The Times, October 12th, 1977.

Since tobacco substitutes were launched in Britain, at the beginning of July, there has been much news and comment on the subject.

Regrettably, much of this has been ill-informed; even more regrettably, much has been exaggerated and misleading.

We, the Board of Imperial Tobacco Limited, feel that the moment has come for our position to be made clear in public.

The History of NSM

By 1972 it had been established, after extensive research, that a product could be manufactured and used as a tobacco substitute, in ways which showed every promise of reducing risks that had been associated, by medical authorities, with the smoking of cigarettes.

Imperial Tobacco, following its policy of consultation with scientific and medical authorities, and of co-operation with Government, entered into discussion with the Government of the day on the future of this product.

The Government, without in any way compromising its long-term policy of discouraging smoking, agreed that this was an approach that should be pursued; and an independent body comprised of distinguished medical scientists (the Hunter Committee) was set up to enable judgements to be made on the potential value and safety of the new product.

Imperial Tobacco, in partnership with ICI, made a massive investment in research and development facilities; the product was tested and a new factory was built by Imperial Tobacco.

The Hunter Committee came to the conclusion that there would be no objection to the manufacture and sale of cigarettes containing NSM, and (having been supplied with formulations and

other details) cleared each proposed Imperial Tobacco brand individually.

Criticism of NSM

The introduction of cigarettes containing NSM has been followed by accusations, often in intemperate terms, of misleading the public—including accusations made on behalf of a body appointed and financed by the same Government with whom the policy which led us to introduce NSM was agreed.

These accusations are sheer nonsense.

The advertising for NSM was cleared in advance of publication by the Secretariat of the Hunter Committee at the Department of Health and Social Security. It was also cleared by the Advertising Standards Authority, as is all our brand advertising.

Government Policy

It has been accepted by successive Governments that a reduction of risks which the authorities associate with cigarette smoking should be achieved by making every effort to modify cigarettes in ways suggested by the responsible authorities.

On January 16th 1976 in the House of Commons, Dr. David Owen, then Minister of State (Health), reaffirmed the Government's position, when he said:

"Millions of adults are going to go on smoking for a very long time to come and the Government must in all its proposals and activities recognize this as a fact. It is on the reduction of the hazards to health among smokers that the industry and the Government can and should co-operate..."

"I have always rejected a strategy which fails to

understand the problems and difficulties of the confirmed smoker and that is only composed of restrictions, warnings and education."

He continued: *"The co-operation of the industry in any such strategy is important, for if they do not continue to put a heavy investment into experiments and research for safer cigarettes, we will not make rapid progress."*

The Company has at every stage acted in accordance with the spirit of this policy, and has co-operated to the full with the relevant Government and independent bodies.

Conclusion

Imperial Tobacco can play a part in the Government's policy, has played it, and is determined to play it in the future.

Imperial Tobacco believes that it has made a positive contribution to the Government's policy, thereby providing a basis for further progress through additional research and development.

It is, to say the least, disappointing that the Government has not stood by its own policy—a policy which actively encouraged Imperial Tobacco's investment of over £15 million in research, development and production related to NSM.

If unbalanced criticism of tobacco substitute is encouraged—even tacitly—by the Government, progress towards their declared objective of "safer cigarettes" can only be delayed—or even halted altogether.

Signed:

R.A. Garrett (Chairman)

On behalf of the Board of Directors of Imperial Tobacco Limited

Imperial Tobacco Limited

Member of Imperial Group Limited

HANOVER
Worldwide

FINANCIAL TIMES SURVEY

Wednesday October 19 1977

scope
or
aving
nergy

Industrial Refrigeration and Air Conditioning

With energy conservation a major economic and social consideration, and a growing awareness of the benefits of better working conditions, there is considerable scope for improvement in existing refrigeration and air conditioning technology.

Ted Schoeters

Man are fragile creatures, adapted to a small proportion of total land area of the planet. The physiological fact that a degree variation in blood temperature is all they can stand. But surface temperatures on earth fluctuate more than 150 degrees C. Men have had to learn to live with this. In the process, vast amounts of energy have been squandered in order to keep living and working conditions bearable, but the world now compelled by soaring energy costs to seek some means of making heat control more expensive.

A hotel in Israel runs all its water supply system off the heat from air conditioning. The extra equipment needed to capture this heat and use it for water for baths and basins, is a minimal capital cost for any new design of a large building.

In the U.S., Material Distributors Corporation of Massachusetts says that 100 square feet of solar control film on the windows of a building can have a cooling effect equal to one ton of air conditioning equipment. The film cuts off a large portion of the infra-red radiation that would otherwise penetrate into the room, or the ice, during the summer and heat losses towards the exterior during the winter.

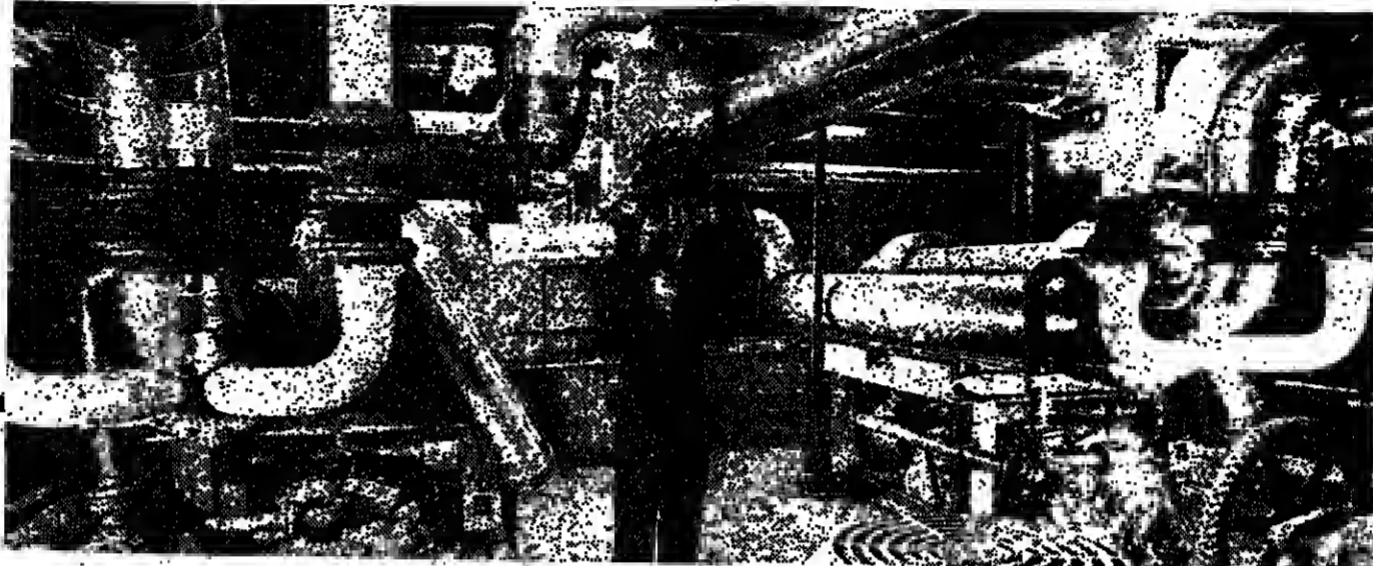
His plastics film is made by depositing a very thin layer of aluminium in a plastics sandwich by the same process as used to put a translucent coating of gold on the space suits of the U.S. spacecraft. The aluminium lets in 90 per cent of the visible light

but absorbs or reflects the infrared. Even now, poorly insulated and ventilated homes are being put up by local authorities and only a few tentative moves are being made by certain councils to experiment with advanced heat control equipment, including new designs of heat pumps. In all fairness, it must be said here that the Property Services Agency of the Department of the Environment has given an excellent lead on the control front by having an air conditioning system designed that will do away with one of the worst aspects of a highly insulated dwelling—its tendency to accumulate condensation in kitchens and bathrooms.

Relatively few homes provide for heat exchange between outgoing stale air and incoming fresh, which is one feature of the PDA design and of a proprietary warm air heating/air conditioning package, just put on the market. And very frequently a heating appliance is found in a kitchen causing a refrigerator and a freezer to work overtime in winter.

Office buildings are no better including the more modern ones which have full air conditioning. Many have been designed with sublime disregard for solar heat loading through bright sunlight even at external temperatures well below freezing can cause temperature gradients of tens of degrees between the sunlit side and the dark side of a building.

In the period from 1960 to



York/Borg-Warner packaged reciprocating chilling machines in use in the heat recovery system which provides air conditioning at the Bisham Abbey National Sports Centre at Marlow, Bucks.

1970 energy needs of new buildings in the New York area used as offices more than doubled. Apart from the fact that offices to this and many other areas of the U.S. have been kept at intolerably high temperatures during the cooler months of the year, they are also maintained at such low levels in the summer that the load on local utilities in hot humid weather is so heavy as to cause the well-known "brownouts" and sometimes a power failure covering a whole state.

Yet energy control and power saving is only now being accepted as a criterion in the

selection of building materials and the design of the structure. So far as the latter factor is concerned, it is estimated by the American Institute of Architects that if that country were to accept a priority programme for "energy efficient building" it would by 1990 be saving the equivalent of better than 12.5m barrels of petroleum per day.

In Britain criteria for home and large building design laid down by those authorities guiding the building industry as one of their major tasks leave very much to be desired.

Designers of large structures are also being criticised because

their buildings ventilate at a must faster rate than is necessary for comfort, though this is admittedly a highly subjective point which probably has something to do with claustrophobia. Terminal re-heating, in which all incoming air is first super-chilled and then partially re-heated to the temperatures demanded by the occupants, is also being criticised for using far more energy than necessary.

Choice of materials for buildings is also extremely important because it can dictate the rate of heat loss or heat ingress in each of the three ways by which heat is transferred—radiation,

convection and conduction. The latter is controlled by mass and the use of insulants such as foamed plastics which have the property of trapping large volumes of air, itself a poor conductor. A recent innovator in this area is a comparatively small U.K. company which has succeeded in producing building materials which already have insulation built in—an apparently simple task but one which nevertheless called for a long period of research and great amount of ingenuity, both in financing and in the development of appropriate mass-production techniques.

For convection read—mainly "draughts" something which good building can reduce to negligible proportions. This comes radiation, which is mainly through the glazing. And a striking example of what can be saved in operating costs through energy conservation is provided by the Toledo Edison Building in which double-leaved chromium coated glass is used to reflect solar heat. The glass cost \$120,000 more than standard quarter-inch plate. But the engineers were able to reduce the capacity of the building's cooling system by 65 per cent, the heating plant by 50 per cent, and the distribution ductwork by an astonishing 66 per cent, to provide a net capital saving of \$1,000 and a reduction in operating costs of \$40,000 per year.

This is a most encouraging result, but it does not help where buildings are under-employed and one stay-behind employee is using conditioner power for his and many other offices.

Returning to the home front, a recent development is the appearance at an advanced stage of development of a heat-pump based hot water system for the average house which will show capital savings within four years. Installed in this way, these pumps operate like refrigerators in reverse, collecting heat from outside the home and pumping it via a suitable low boiling point refrigerant chemical to a heat exchanger. This is a U.K. project and it

embodies a concept that could be engineered to reverse heat flow in the summer to give a form of air conditioning.

With any luck—and that would include Government encouragement of such power-saving installations by tax rebates—heat-pump based home heat control equipment could soon become a commonplace, particularly as the general public comes to realise that for say, a 4 kW input, 12 kW can be drawn from an evaporator/radiator unit outside the home even in sub-zero weather.

A very large proportion of the U.K. housing stock has no insulation of any form whatever. An even greater proportion of homes has no form of air conditioning whatever. And before the market for packaged home conditioners opens up, there could be competition from sun-powered cooling units now under active development in Japan and the U.S.

Packaged conditioners in much larger sizes have been launched in recent months by several companies as emergency or add-on units which require little more site preparation than the provision of an appropriate power source. These will fill a useful role for older buildings where the cost of a complete centralised scheme could not be warranted because of the extent to which existing structures would require to be altered. There is, however, a marked trend in London and other major cities to tackle the problems of city accommodation by complete cutting and refurbishing of large, but obsolete, premises. Though expensive, this way of meeting the demands of office staff is only a fraction of what demolition and new construction now entails.

Because air conditioning and refrigeration are vast consumers of power, the Heat Transfer and Fluid Flow Service generated by NEL and Harwell is to be extended to companies who design and make refrigerating and similar plant.

A new review panel with international membership will promote the production of a handbook of design data, computer programs and special features of heat exchangers, etc. Specifically, tube plate designs will be examined as will refrigerant behaviour, reduction of energy consumption and the corrosion of waste heat recovery devices.

The peak of cool perfection

The cold facts are, that about 90% of all food consumed is process cooled, stored or transported by refrigeration somewhere along the distribution chain. It is equally certain that the majority of that total in the UK, has been so treated involving the use of Hall-Thermotank Products Limited refrigeration equipment. The same also applies to your favourite brewed beverage, some 90% of UK breweries are H.T.P. equipped, add to this the 60% or so of Lloyd's registered shipping (whether built in 'oriental' or 'occidental' yards) that are fitted with our equipment and the Hall-Thermotank Products units to be found worldwide the scale of this wholly British company's operations begins to sink in.

Yet you will not find our name under your kitchen worktop. Despite this however, with our 100 years in the business we are considered to be the most experienced firm around, and if not the actual originators certainly one of the pioneers of industrial and commercial refrigeration.

Our products portfolio is the most

comprehensive available from a single source world wide. With a range of over 100 reciprocating compressors with a power range of 1/2hp to over 750 hp, 80 different types of packaged unit, over 100 water cooling towers, over 70 varieties of heat exchangers and a sturdy range of line fittings to complement the main range and to give you the best possible refrigeration system money can buy.

Hall-Thermotank Products Limited

A member of the APV Group



B.A.C. ...the Evaporative Cooling People

**Counterflow
Parallelflow
Crossflow**

- Industrial Fluid Cooler
- Evaporative Condensers
- Cooling Towers
- Industrial Process Cooling Refrigeration Air-Conditioning

BALTIMORE AIRCOIL INTERNATIONAL
Affiliate of Merck & Co., Inc., Rahway, N.J., U.S.A.
with EUROPEAN MANUFACTURING PLANT in HEIST-OP-DEEN-BERG, BELGIUM

represented by

Health vanSpell Associates Ltd.
Horton Parade, Horton Road
West Drayton - Middlesex UB7 8NS
Phone: (0854) 40546/7/8 - Telex: 9343384
for Southern England, Southern Wales & Republic of Ireland

Don V. Powell & Partners
2 Manor Road, P.O.B. 49
Allinchem - Cheshire WA15 9QX
Phone: (061) 941.21.61 - Telex: 667875
for Northern England, Northern Wales, Scotland & N. Ireland

INDUSTRIAL REFRIGERATION II

Comfort at work can aid efficiency

THE EXCEPTIONAL summer of 1976 may have underlined the discomfort suffered in many factories and offices, but in most instances it did not reveal the problem for the first time. Indeed, many people were too hot at their place of work during the last miserable summer and others suffer all the year round.

Keeping cool is only part of the answer. Just as relevant in a wet island climate like our own is the need to keep the relative humidity down. Most people are only comfortable when the relative humidity is between 40 and 60 per cent. The average relative humidity in London during the summer is 70 per cent, so even when we have a poor summer offices and shops are uncomfortable.

Buildings gain heat both from within and the outside. Internal sources of heat include people, lights and equipment. Each person gives off between 100 and 150 watts which, with the office space now allowed to each having shrunk from around 200 square feet some 25 years ago to about 80 square feet now, is equivalent to about 1.2 watts per square foot. The problem is compounded by the low ceilings, which do not allow hot air to rise out of the way as in older Georgian-style offices.

Lights are also a significant source of heat. A standard tungsten filament 100 watt bulb releases about six watts per square foot, while more heat is released by electric typewriters, photocopyers, computers and other office equipment.

Usually more significant is the heat gain from outside the building. Direct sunlight radiates heat through the windows and the building stores the heat and re-radiates it inside. The micro-climate of the shopping and commercial centres are often as much as 10 degrees Centigrade above those in the countryside. These outside temperatures are quickly reflected inside adjacent offices.

Air conditioning is automatically thought of as the way of coping with the problem. But although a general rule it is the most effective expedient, there are a number of other approaches to the problem. The most effective, doubtless, is a component central station equipment which has fallen steadily from factory with all the relevant 61 per cent, in 1971 to 54 per cent in 1975. However, even in an old block a lot of effective changes can be made.

Lighting can be made more efficient. Changing over to fluorescent or mercury halide causet heat output for the same amount of light by half. Overhangs on windows can prevent direct radiation. Attractive heat-absorbing or heat-

reflecting glass can be installed. Roofs can also be treated reflectively, thus cutting or eliminating their thermal gain. One such treatment recently on the market is Decadex, a plastic membrane made by Liquid Plastics of Preston.

Ventilation can also be an effective solution in some instances, particularly in factories. However, in most offices it is impractical. The large amounts of air that have to be moved to obtain a cooling effect also create draughts and disturb-paperwork.

The best overall solution is air conditioning. There are two main categories, component central station equipment and package direct units. The former is normally built into new blocks, and the latter towards the latter in the last few years reflects the movement towards the modernisation market.

can provide. People prefer some variety in the atmosphere as long as it is within limits of comfort.

While running costs per square foot are roughly similar whatever the system, there is a large spread in installation costs for different systems. Mr. Bernard Hough, manager of the Air Conditioning Advisory Bureau, estimates that a simple window unit without a heater battery would cost about £1.50 per square foot to install, a more sophisticated split system or console between £1.75 and £2.50, a rooftop unit with ducting control and better distribution £3-£4 and central station equipment £8 plus.

The British industry has a remarkably long history. Already in 1835 the Electrical Development Association, forerunner of the Electricity Council, can point to a booklet extolling the benefits of air conditioning and picturing its application in a surprising number of buildings.

However, the modern industry got going properly in about 1960 and was estimated to be worth £147m. in 1975. The recession sparked off by the OPEC oil price rise in 1973 affected the industry seriously and the installed value in real terms fell by 14 per cent in 1975 and by 8 per cent in 1976, compared with a growth rate of 25 per cent in 1975.

The market is thought to have bottomed out last year and to

be resuming its growth. There is certainly vast potential. Only 3 per cent of commercial buildings have installed air conditioning, compared with the overwhelming majority in the U.S. There are a negligible number of domestic customers and no one knows the total figure for industrial installations, because these are usually considered part of the production process.

The main manufacturers in central station equipment are Carlyle Air Conditioning Company, part of the Carrier Corporation of the U.S.; Trane; York Division of Borg Warner. Also significant are Westinghouse and Dunham Bush. In the packaged range Carlyle and York are dominant along with Lennox Industries of the U.S.

Not all factories find ventilation suitable. Where workers are engaged in sedentary tasks, as in electronic component factories, the large-scale movement of air causes disturbing draughts. Mr. Hough said he expected that an industrial comfort market in air conditioners in this area should develop by the end of the decade.

In 1975 the divide between industrial and commercial use of air conditioning was £41m. to £105m. respectively. The industrial sector included offices attached to factories and the commercial category consisted of shops, offices, public buildings, warehouses and places of entertainment.

In all these environments human comfort can add to efficiency. It is an unquestionable equation, but many users are convinced that the cost of supplying comfortable working conditions is more than recouped in terms of work output, more permanent staff and less absenteeism.

Importers

Sharing 50 per cent of the room unit market fairly evenly are Marston Paxman, an IMI company and Prestair, a division of Temperature which is part of the Norcross group.

Much of the rest of the market is shared by a large number of importers—more than 80 at the last count.

A different set of companies are active in the ventilation market, which mostly consists of factories. Installation costs range from 75p a square foot to £2. In a large factory ventilation tends to be a far more

David Freud

Filter

Both types work in essentially the same way. Air is drawn from the area to be conditioned, and fresh air is added as required. The air is then passed through a filter for cleaning and passed through a cooling coil to cool and humidify it, then it is returned to the conditioned space.

In winter, when the air needs warming rather than cooling, it would be passed through a heater instead of a cooling coil. It would also be humidified if it was too dry, although there is some debate at the moment whether humidification is an essential part of air-conditioning equipment in this country, where relative humidity is rarely below 40 per cent and then only for short periods.

From the cooling coil the refrigerant in the pipes takes the heat extracted to the compressor and then passes it through a condenser which rejects the heat outside the system. In the sophisticated heat reclaim systems this waste heat is used in parts of the building where it may be required.

Filter

The most recent survey by the Electricity Council showed that the market share of the component central station equipment has fallen steadily from factory with all the relevant 61 per cent, in 1971 to 54 per cent in 1975. However, even in an old block a lot of effective changes can be made.

Lighting can be made more efficient. Changing over to fluorescent or mercury halide causet heat output for the same amount of light by half. Overhangs on windows can prevent direct radiation. Attractive heat-absorbing or heat-

Increasing use of cold gases

developed jointly by ICI and Walls Ice Cream, based on the use of solid carbon dioxide. This equipment can be set from minus 40 to zero degrees C at the touch of a switch. The cooling rate is 1.75 kW for minus 18 degrees internal temperature and it operates by circulating the cold gas from the carbon dioxide "snow" through heat exchanger tubes, on demand from a thermostat.

The system is relatively simple and ICI indicates, its Drikoid solid CO₂ is pound for pound some 1.5 times as effective as liquid nitrogen.

The real target for the ICI development is, however, the many installations in refrigerated vehicles in Europe, in which cooling is provided by a eutectic holding plate system or rating of air coolers for which is "charged" by running a current of power through it. These plates contain a mixture of organic salts and need 10 to 12 hours connection to recharge, operating something like a storage heater in reverse.

The main disadvantage of eutectic solutions compared with carbon dioxide and liquid nitrogen is the considerable weight involved. It is of the order of something like 20 times since a eutectic system at 11 tons would provide the same cooling capacity as the ICI Koldroof equipment at 150 lb.

There seems to be no defect in the argument since carbon dioxide snow is easy and safe to handle and installation of fresh blocks is a question of a few seconds. At the same time, any vehicle equipped with eutectic plates is paying an enormous deadweight penalty. Meanwhile, ICI estimates that to keep 37 tons of food at optimum refrigeration point during a ten hour day would require, say, £5 worth of snow.

But there is still a great mass of vehicles equipped with conventional refrigeration units which are being improved by designers to provide more power from compact, lightweight units, having behind them a tradition which can look back to wartime developments, of using the liquefied gas by supplying calculated amounts of the liquid to the load space of a vehicle or a container waiting to go to the cold store. It can be mounted equipment and to be used to augment conventional refrigeration.

A recent interesting example of what can be done with Polarstream is in the urgent transport of blood plasma from Newcastle-on-Tyne to Elmstree on regular basis. The Ford Transit in which the equipment is installed has a cargo space maintained at minus 40 degrees C, or twice as low as the level and carbon dioxide snow supply the unit normally provides in containers. The van is insulated with six inches of polyurethane foam and this applying conventional units in cation is believed to be unique. A competitor for short haul commissioned this year is being the Koldroof equipment used, for the first time, to chill

chicken carcasses from 100°F to under 40 in the very short time for the industry of one hour, through a controlled movement of the product in a blanket of air.

Dehydration is very low and bacterial growth is inhibited and it is expected that the system, which can move nine tonnes of chicken, continuously through the chiller area, will be imitated for other foods.

But while the parameters within which suppliers of equipment for the foods and pharmaceutical industries have to work are extremely tight insofar as operating conditions are concerned, there is a certain amount of concern among engineers at the lack of agreement on how performance of refrigeration systems is defined. The situation is such that practically every maker has his own private specification, which can only be a source of considerable difficulty to designers of large systems who want to compare alternatives.

Standards

British Standards Institution and the European Committee of Manufacturers of Refrigeration Equipment (CECOMAR) are working towards a common definition of this most important parameter, but it will take some time before it becomes generally accepted and manufacturers alter their specifications accordingly.

One factor which will undoubtedly aid moves towards greater homogeneity within the industry is the present move in Britain towards construction of large cold-storage facilities to EEC standards. The first such unit to go into service is expected to be at Little Milton, Norwich, at the headquarters of B. Brooks (Norwich).

To be started by Smith and Partners as prime building contractors in November, it should be finished towards the end of 1978 and will be a complete EEC meat processing plant with all ancillary services. Capacity will be dictated by freezer operations and there are to be two blast freezers with the ability to handle nine tonnes each of various meats per 12 hour day, plus a flow freezer which will take one tonne per hour.

Boning, handling and other aspects of the plant will conform entirely to the requirements of the EEC and help the company to increase export activities rapidly while trebling output for retail.

The plant goes alongside a 1,000 tonne plus capacity cold store, also to EEC standards, and on completion of the processing centre the site will house what is probably the first big meat complex conforming entirely with European norms.

Ted Schoeters

this is why you should know about

Cold Fact No. 1

HRP Ltd of London are specialists in every aspect of refrigeration, and are one of the largest wholesaling organisations in Europe with nine depots — each with its own transport fleet — covering the British Isles. We export through HRP Exports Ltd — an independent unit within the group with their own packing and shipping departments — throughout the world.

Cold Fact No. 2

We supply equipment to many famous food and supermarket companies, to leading breweries and hotel chains, rail and airline operators, oil rigs, shipping lines etc. We have highly qualified staff to advise on any applications of commercial and light industrial refrigeration including Coldstores, Abattoirs, Supermarkets, Liquid Chilling etc. All necessary equipment for these can be supplied.

Cold Fact No. 3

We carry a full range of equipment, some examples, being Compressors and Condensing Units, 1/12 to 70 H.P. • Coolers and Remote Condensers • Copper Tube • Filtrings • Line Valves • Driers • Liquid Receivers • Controls • Tools • Analysers & Recorders • Refrigerant • Coldstore door furniture & sliding systems. In addition, any products of our manufacture can be made to your own specification.

HRP ALL THE FACTS ADD UP TO HRP for every aspect of Refrigeration

HRP SALES LTD 314 BALHAM HIGH ROAD LONDON SW17 7AT Telephone 01-672 0111 Telex 9460683

It's not just a matter of expansion

We've put on a lot of muscle over the past few years—expanding sales, pushing up exports to around 50% of production, acquiring and extending factories, and becoming one of Europe's largest manufacturers of refrigeration and air conditioning equipment.

But in tomorrow's world, present performance is not enough. So now we're getting in good shape for the Eighties... with a multi-million £ investment programme aimed at consolidating our place in world markets and keeping in the forefront of technological progress.

All this means better services to our customers at home and abroad; new and improved products; greater specialisation within the industries we know; and continual research into problems such as recovering heat from cooling applications.

Staying strong and viable is more important today than ever. That's why we're reaching out all the time. Keeping ourselves fully stretched. It's the only way to develop.

it's performance that counts.

Subsidiaries and divisions include: Searle Manufacturing Company Limited; Prestcold Searle International Limited; David Scott; Danco Prestcold Limited; Alger Air Conditioning Systems; Gardner Refrigeration & Air Conditioning; Nationwide Refrigeration Supplies; Nationwide Air Conditioning Supplies; Semi-Hermetic Unit Division (Theale); Hermetic Unit Division (Glasgow); Prestcold GmbH; Prestcold (North America) Limited; Searle France, SA; R.E.C.O. (South Africa).

50 Prestcold branches throughout the UK and distributors in 91 countries.

PRESTCOLD

Group headquarters: Prestcold Holdings Limited The Grange, Lower Way, Thatcham, Newbury, Berks, RG13 4PH Telephone: Thatcham (0635) 54464 Telex: 848670

A member of Leyland Special Products

J.P.I. inc/ito

INDUSTRIAL REFRIGERATION III

Fierce competition among hauliers

LONG DISTANCE transportation of fresh food and other perishables in an industry which has expanded enormously the last 20 years. In 1960 the amount of refrigerated road traffic between Britain and the Continent was negligible. This is the industry estimates that the import/export traffic by air alone represented a volume of about 250m. tons in shipping has also seen substantial growth. There are all the obvious signs of a new industry enjoying strong underlying growth. A new trade association, called the International Refrigerated Transport Association, was formed last year, comprising most of the bigger hauliers. Competition is fierce and operating below costs in the slack months of the year not unknown. New legislation, deriving from Europe, is due to be implemented for international carriage, and British operators will be operating under a new Act in the beginning of next year. The ATP Agreement, as it is called, which applies only to road transport, is being implemented internationally. November last year and has a range of implications for the industry. An additional sign of a growing industry is the emergence of a new magazine devoted to it. "Temperature Controlled Storage and Distribution," which is published every 10 months by Industrial News, is the first journal to cover the field exclusively. Its circulation is international and it aims to cover technical developments, international marketing trends, new and modified products, company news and price movements. Food and other perishables are moved by road, rail, sea and to a more limited extent by air. Among the most heavily transported commodities are meat, especially beef and other bovine meat, fresh fish, fruit and vegetables. Dairy products like butter and cheese, eggs, margarine, chocolate and confectionery are other foods that are much transported. In the non-food sector there is traffic in flowers, certain chemicals, rubber solutions, pharmaceuticals and a wide range of other products. The expansion in traffic has largely been made possible by improvements in technology. Up to about 1950, perishables were moved in wooden cases packed with dry ice. Mechanical refrigeration was then developed hand-in-hand with improved insulation methods. Cork and polystyrene gave way to the present insulating material, polyurethane. Current developments include transportation in artificial atmospheres.

British operators handle most of the export trade, in nearly 100 per cent of instances by road. They also control most of the incoming traffic and industry estimates put the U.K. market share at about 75 per cent, worth about £40m. The lion's part of the market is directed at Europe. There was a small decline in imports from the EEC in 1976, which were about 1.34m. tonnes compared with 1.5m. tonnes in 1975. However exports were some 50,000 tonnes higher than the 1975 figure of 0.28m. tonnes. The main trends picked out in a study by MAT Transport comparing the two years showed a gain in fresh, chilled and frozen meat exports. Exports of poultry to the EEC were about 700 per cent higher, and pork exports were also up. Total exports of beef were roughly the same, but there were significant increases to Germany and Benelux and decreases to France and Italy. Butter and cheese exports more than doubled and frozen fruit exports went up by 152 per cent, the significant increase being in exports to West Germany. Frozen vegetable exports were up 51 per cent with significant increases to Holland, Spain and West Germany, and chocolate exports were also higher. The industry estimates that there are approximately 20 large or medium-sized operators controlling a total international fleet capacity of approximately 6,800 tonnes, equivalent to 400 trailers. A further 50 per cent of capacity is assumed to be controlled by smaller operators, giving a total carrying capacity of 10,200 tonnes, or 600 trailers. Assuming each trailer does three export loads a month, the total annual capacity of the U.K. industry is 387,200 tonnes.

The influence of foreign hauliers on the U.K. export market is discounted. The French hauliers only arrive during the peak fruit season, and the only significant competition comes from the Dutch. This is not serious, however, as sterling's current exchange rate means the U.K. operators have the competitive edge over all foreign rivals. The main operators in the international market include: Comart Europa International, which has the most capacity and access to its parent company's traffic. Only slightly smaller is Frigo Scandia, subsidiary of the Swedish company Malmo Rederiet. It also operates cold stores and has connections in most European countries, giving it access to through transport of frozen commodities.

Connections

Christian Salvesen is another big operator with close connections with the fishing industry and Scottish meat traffic. Tempeco International is a subsidiary of the National Freight Corporation and also operates in U.K. distribution. G. and R. Cadwallar and D. J. McPherson also have large capacities. The new ATP Agreement will require all refrigerated equipment used in international transport to be tested and refrigerated before it is put into service, at least once every six years and whenever required by certificates are at present being issued, on a voluntary basis, on behalf of the Department of Transport, by the Shipowners' Cargo Research Association in Cambridge.

There are two heat transfer specifications, depending on usage—0.7 watts per square metre per degree Centigrade and 0.4 watts. The lower specification would apply to the highest of the three classes of temperature laid down in the agreement. The role of rail has diminished over the years. Very little U.K. export trade goes by rail, although this mode of transport accounts for substantial imports. The shipping group OCL is a major user of the Freightliner service and most of their inland container movements are dealt with in this way. However, major hauliers feel that rail is more expensive, slower and offers less temperature control than road. A typical load of peaches from Bologna in Italy could cost about £1,100 by rail, compared with about £1,000 by road. The road time would be three days while rail would take at least four days. Finally road trailers are mechanically refrigerated— with the exception of liquid nitrogen alternatives—and many rail wagons are simply cooled with ice. The operating company in Europe is Interfrigo, based in Basle, Switzerland, which is owned by the major European railway organisations. Longer distance haulage, especially to the Middle East, is now developing. Interfrigo's Derby-based subsidiary of the National Carbonising Company, has pioneered over the last 18 months transportation of perishables in an artificial atmosphere. The cost of containing trailers to ensure a hermetic seal is roughly £250 and a carefully calculated mixture of gases is injected to preserve the product. The first contract using the system—a shipment of meat from Le Havre to the West Indies which took ten days—was entirely successful.

Dominated

The shipping container market to and from the U.K. is dominated by two groups, OCL, formed by four major shipping lines including P. and O. and Ocean Lines, and ACT, formed by Cunnard, Bina Star and Ellerman. The biggest is OCL, which started operations 12 years ago and now ships millions of tonnes of cargo, much of it refrigerated. It has about 11,000 refrigerated containers in total and its main routes are Europe to Australia and New Zealand and New Zealand and Europe to the Far East. The road transport market grew very fast up to 1974 when it suffered a check due to the onset of the world recession.

Packaged units gain ground

A few years ago to use package air conditioning as an ad hoc solution to a special problem would hardly have been contemplated. It was virtually a matter of course that anyone designing the environmental part of a service, for say, a large computing complex would produce a tailor-made job. Which is one reason why so many of the computer installations of the past have had to be replaced. Possibly computers are an extreme case, and it is a fact that many large installations in the U.S. have been the subject of extensive conversions—that is on the air conditioning side—so that the reject heat of many slowwatts from the central processors, in particular, should be captured to provide hot water and space heating in the surrounding buildings. But costs of one-offs and the specialist's time to design have risen spectacularly. Meanwhile, semi-mass production of packaged units has put up, so that where a 175 kW afforded a far better chance of quality control during manufacture, a sore point with many users who appear to think very often that they are being made the guinea pigs for trying out new designs of equipment. Design engineers had tended to expect more from packages than these could provide, despite the fact that no package can do more than the standard cooling and heating coils it contains. Costs have, however, risen so sharply that designers have had to compromise and modify plant or building conditions to fit the best packages available. Supermarkets, restaurants and smaller office blocks have given a significant boost to the package market, though many restaurants, especially in crowded city centres, will probably wait for a repeat of last summer before they equip themselves properly. Suppliers of packaged units also attribute their current comparative success to the growth in the size of buildings being put up, so that where a 175 kW package would have met requirements in most new constructions a few years ago, four

or five of these units could be required today. In the meantime they have been doing a great deal of development and can now offer total packages complete with refrigeration systems at a price not very much higher than the former basic air handler without the cooling device. This cost improvement stems from the fact that, without cooling, the air flow must be very greatly increased to produce the same effect, and thus much more powerful air handling equipment is demanded.

Flexibility

Flexibility has improved greatly and units will operate effectively at as little as 10 per cent of design load. Meanwhile in several European countries it has proved possible to operate variable air volume terminals—that is units which control temperature in the rooms served by varying the volume of air supplied. Adaptations to units such as Carlyle 50 DD from Weathermaker to suit such applications are minimal.

Andrews Industrial Equipment, prominent in this sector, offers about 40 different models divided into through wall or window designs and split units where no external wall can be used. The latter are designed for minimum structural attention, generally limited to drilling walls for the passage of two small bore copper pipes and providing a power source. Packaging is also a feature of the much more powerful units required for cold stores, and one of the suppliers of such equipment, Denco Refrigeration, recently provided the first of its Dencold packs for the dairy industry. Apart from supplying chilled water to the milk coolers, it maintains a 4,000 cubic feet cold room at between 40 and 44 degs F. Compressor failure is no catastrophe since the equipment has a reserve system which will maintain cooling for a protracted period. Coming into the static product line from transport refrigeration equipment, Transfrigo recently unveiled a series of plug-in units which need only be set in the wall of a store and linked to a power point to operate. Condensers and compressors are external to the room and insulated thermally from the evaporator, which projects into the refrigerated space. Installation could hardly be simpler. In the meantime, manufacturers of the heavier duty units, in particular, are having to pay much closer attention to energy conservation than they would have done before the oil crisis. Eaton-Williams, for instance is claiming some startling operating cost reductions for its new computer room air conditioners, going down in some cases by as much as 50 per cent, below the running charges for conventional designs.

Recovery

This is achieved by using an electronic program selector controller, which will operate the equipment to match demand with minimal power consumption at all times. No ballast heater is needed and frequent starting and stopping of the compressor is avoided. Novel heat recovery techniques are also a characteristic of a plant designed for the Bisham Abbey national sports centre, which has a fully air conditioned indoor training facility 72 x 37 metres and 9.5 metres high, and with its other sports facilities is probably the largest centre of its type in the world. Built around two York/Borg-Warner packages of 115 tons refrigeration power each by Robert Somerville Associates, this plant is expected to have running costs some 60 per cent lower than a conventional system without heat recovery. Low temperature hot water is produced by extracting heat from the ethylene glycol used as the cooling medium. Extract air is vented to give 1.25 changes an hour and keeps heat gains down to a reasonable level.

Ted Schoeters

Southern Industries (COOLERS) Limited. MANUFACTURERS OF COOLING & DISPENSE EQUIPMENT FOR LAGER, BEER, CIDER, SOFT DRINKS. INDUSTRIAL WATER RECYCLING COOLERS. SUPPLIERS TO THE MAJORITY OF BREWERS IN BRITAIN & TO MANY OVERSEAS. Cubitt COOLERS - SYNONYMOUS WITH QUALITY & RELIABILITY. Cubitt Street, Stafford Road, Croydon, CR0 4RP. Tel: 01-686 4651

Ozonair & Hargreaves can air handle it! Since the turn of the century, Ozonair Engineering Co. Ltd. of Maidstone, and Henry Hargreaves & Sons Ltd. of Bury have been quietly building up a reputation for the manufacture of ductwork, fire dampers, and air conditioning equipment so that today, they are the acknowledged leaders in their field. Members of the Air Handling and Fittings Division of the Suez Engineering Group Limited (SEG), they have been responsible for providing variable volume every cooling systems for most of the principal mechanical services contractors in the UK on many major construction projects. OZONAIR Ozonair Engineering Co. Ltd., Aylesford, Kent ME20 7NS. Tel: Maidstone 77861 Telex: 98294 HARGREAVES Henry Hargreaves & Sons Ltd, Lord Street, Bury, Lancs BL9 0RG. Tel: 061-764 5082 (10 lines) Telex: 686219

GRASSO MONOSCREW MS10

This is really hot news for everybody in the refrigeration and air conditioning business: a completely new compressor design. You should see how it works, how it is controlled, what its capacities are. Ask for our documentation. GRASSO-STACON Grasso-Stacon B.V. P.O. Box 343, 's-Hertogenbosch-Holland Tel.: 073-122131, Telex: 50207

Frigidaire matched refrigeration



For more than fifty years the name Frigidaire has represented all that's best in quality refrigeration. The 1977 Frigidaire range fully maintains this well earned reputation. Comprising ten superb hermetic condensing units, 22 new Dynapak semi-hermetic models and a comprehensive range of 48 matching forced air evaporators, every commercial and industrial cooling need can be met precisely and economically. All this is backed by a reliable, nation wide after-sales service. If you have a cooling need, large or small, choose Frigidaire matched refrigeration.



Frigidaire Europe, General Motors Limited P.O. Box 63, Carlisle Road, Kingsbury, London NW9 0EH

David Freud

The Management Page

EDITED BY CHRISTOPHER LORENZ

LONG, unintelligible statutes, produced by the secret priestly of Parliamentary drafters, those were the words used recently by Lord Hailsham, former Lord Chancellor, to describe the present method of British legislative drafting. Nowadays this description will not do in urgent situations which develop ten times every working day. No pocket legal code has yet been developed, nor has a midgeer through Parliament legislation which only a few MPs can understand, and much of the legal profession has a vested interest in keeping the law mysterious—the frustration of judges. Lord Salmon has complained of the "wholly unnecessary complexity and obscurity of language" and Lord Denning, Master of the Rolls, confessed that he has had a life-long struggle to try and find the meaning of it all. Given the opportunity of the litigians, the vested interest lawyers and the resigned attitude of the judiciary, why this sudden discontent? The reason is that the current tendency of governments to regulate every activity makes it imperative for the public, end for businessmen in particular, to know what they must or must not do in urgent situations which develop ten times every working day. No pocket legal code has yet been developed, nor has a midgeer through Parliament legislation which only a few MPs can understand, and much of the legal profession has a vested interest in keeping the law mysterious—the frustration of judges. Lord Salmon has complained of the "wholly unnecessary complexity and obscurity of language" and Lord Denning, Master of the Rolls, confessed that he has had a life-long struggle to try and find the meaning of it all. Given the opportunity of the litigians, the vested interest lawyers and the resigned attitude of the judiciary, why this sudden discontent? The



Finding a way through the statutory fog

By A. H. Hermann

published book by Sir William Dale. The author, a former Legal Adviser to the Commonwealth Office, shows how a composite continental lawyer (more French than Swedish or German) would express the intention hidden behind paragraph 6 of the Schedule 1 to the U.K. Act: it comes out quite clearly in about one third of the words used by the parliamentary drafter. Sir William was not so successful when he tried, in an

imaginary conversation between an author and a solicitor, to decipher what a copyright according to the ninety-page English Copyright Act. The nearest thing to a definition he can find in the Act reads "In this Act 'copyright' means the exclusive right... to do and to authorise... certain acts... restricted by the copyright." This is, of course, quite meaningless. Copyright remains determined by the ordinary meaning of the word, so that the Oxford Dictionary is a better source of law than the Act.

Sir William's book, commissioned by the Commonwealth Secretary General and published in time for the recent Commonwealth Law Conference in Edinburgh, is a timely contribution to the solution of one of the crucial problems of legislation in young common law countries. These are often torn between the desire to imitate British drafting and the inability to do so effectively because of the shortage of experts in that mysterious art—as well as the lack of people able to solve the resulting puzzles.

As far as the U.K. is concerned, the book appeared some 300 years too late, but in this case it is still true that late is better than never. In comparing the treatment of which legislation concerning copyright, employment, family law, administrative procedure and many sundry laws received in France, Sweden, Germany and the U.K., the author demonstrates the fallacy of the view spread by many of his learned friends that the continental method of legislative drafting leads to legal uncertainty.

Brevity is certainly no source of uncertainty—indeed if our statutes had the certainty of the Ten Commandments we would all find them most difficult to live up to. It is the extra words which create exceptions, escape clauses and uncertainty—welcome to some and feared by others. These issues are of immediate practical significance to business particularly at a time when only the very poor or the extremely rich can dare ask the courts to clarify obscure statutes for them without risking financial ruin. There is reason to suspect that if laws were lucidly stated most of the complaints against the legal profession would never arise and there would be no need for the Royal Commission on Legal Services. As long as the laws remain obscure, no degree of consensus about what is right or wrong. The much more divided German society is served by legislation which though starting with the statement of a principle often goes into great detail

Kenneth Gooding tells how one international company reorganised itself so as to cope with an unexpectedly savage cutback in demand

How forklift trucks lowered the break-even point

THE WORLD'S major manufacturer of forklift trucks is currently implementing a significant change in strategy so that can cope with the lower rate growth of the industrialised countries expect for some years come. Eaton Materials Handling, part of Eaton Corporation and maker of Yale lift trucks, implemented its new approach in early 1976 when it realised there would be a slackening in the pace of demand for forklift trucks after the boom years of the 1960s when there was an average annual increase of 10 per cent. The changes have been produced more quickly than originally intended because of the impact of the recession. Eaton's European operations are as heavily affected as those of North America. And employees at its plant at Velbert, West Germany, have recently been told that the reorganisation calls for a big reduction in the workforce there.

Streamlining of the U.K. plant, at Westfield, Staffs., took place 18 months ago when 150 were made redundant, roughly 30 per cent of the total workforce. The indications are that a similar cut-back is being asked for at Velbert in the current discussions with employees and unions. Eaton has made it clear that there will be management changes, too, within the European businesses and it is not only shop floor employees who will be affected. The scope of the immediate problem presented to companies like Eaton by the recession can be judged by the statistics for the North American lift truck market. In the peak year of demand—1974—110,000 forklift trucks were sold. In 1976 the

total slumped to 75,000. Eaton reckons that it won't be until 1981-82 that demand will get back to the 110,000 level. The situation is similar in Europe. The industry could supply 130,000 trucks against the 85,000 it hopes to sell in 1977. All this is of extreme importance to Eaton because, although second to Clark Equipment in the U.S. market, it claims to be first in the world in the number of trucks it produces. In 1976 sales of industrial trucks from its plants in North America, Europe, Latin America (Mexico, Argentina, Brazil) and Japan (a joint company with Sumitomo Heavy Industries) amounted to \$226m. (£125.5m.). To put things in perspective, however, Eaton Corporation is mainly concerned with the manufacture of components for the truck and automotive industries and in 1976 had a total turnover of \$1.8bn. (£1bn.).

Like many other companies in the forklift business, Eaton had not expected such a savage cut in demand after the 1974 boom. Some American investment analysts have estimated that in 1975, Eaton's industrial truck operations incurred losses of anything between \$12m. and \$30m. This suggests one good reason why the structural changes were speeded up. A considerable shake-up of management (both people and style) and of the manufacturing processes have been involved. On the management front the aim has been to cut out unnecessary duplication of overheads in what previously were semi-autonomous plants. In the States there is now a centrally-managed, centrally-scheduled manufacturing system linked through Eaton Corporation's major computer installation at Cleveland, Ohio. Purchasing and planning have been centralised, cutting out the need for some salaried people at individual plants.

On the manufacturing side, the strategy called for the establishment in North America of two assembly plants—one for trucks powered by internal combustion engines and one for electric trucks—and for three speciality plants for major component manufacturing to support plants in America and other countries too. This manufacturing programme will involve expenditure of between \$44m. and \$50m. in the period 1974-79 on top of the several million dollars a year usually spent to keep the plants up to scratch. So far Eaton has opened a new plant at Greenville, North Carolina, as the electric truck assembly plant, while the biggest factory in the world for making forklift trucks, is evolving as the "gas" truck plant as well as having a role as a supplier of a variety of machined parts.

In Salem, Virginia, another new establishment is being developed as the electric component plant and as a producer of a variety of machined parts and components to feed the two assembly units. The first phase of a Hendersonville, North Carolina, factory has been built and has absorbed all transmission case and drive axle machining and final assembly of these components. At Lenoir, North Carolina, a plant is under construction as a mast and cylinder supplier.

All this will add 100 per cent to Eaton's capacity in the U.S., mainly by relieving production bottlenecks in the manufacture of components. An important part of the new strategy has been Eaton's determination to slim down the range of models it has been producing while at the same time up-dating its products. The company claims that by the middle of next year 80 per cent of production will be of equipment introduced less than five years ago. The impact of these changes

STRATHCLYDE
Industrial Exhibition and Conference

Piccadilly Hotel
25th until 27th October

Three days of significant opportunity for all industrialists interested in developing in Strathclyde, Scotland's major Region.

PROGRAMME
Topics
Tuesday 25th Oct.
INCENTIVES FOR INDUSTRY
A detailed examination of the current level of financial incentives available for industry in Strathclyde.

Wednesday 26th Oct.
THE OIL INDUSTRY WORKSHOP
INDUSTRIAL INNOVATION IN SCOTLAND
OFFSHORE ENGINEERING
INSTITUTE OF PETROLEUM

Thursday 27th Oct.
CHEMICAL INDUSTRY
PROPERTY DEVELOPMENT MARKET
STRATHCLYDE NEW TOWNS

Further information is available together with full programme from
The Industrial Development Unit,
Strathclyde Regional Council,
21 Bothwell Street, Glasgow G2 6NJ.
Strathclyde 77.
A show of industrial strength.

I am interested in attending Strathclyde 77 with particular reference to: Please send full programme.

Name.....
Company.....
Address.....

Strathclyde Industrial Development

Could Fiat Solve your Transport Problems?

We believe that we can, and here are some of the reasons why. We can offer first-class availability with over 500 new cars in stock. Unique 2-year Fiat Mastercover Warranty with 6 months' free maintenance. The most comprehensive range to choose from. Price advantage—at present the rate of exchange between the Lira and Pound is particularly favourable. Outstanding service from one of the best equipped workshops in the country, plus over 350 service dealers in the U.K.

Please contact Graham Forster at Brentford or Barry Urwin at Baker Street to discuss your company's requirements.

FIAT MOTOR SALES LTD
100 Baker Street, London, W1M 1UL. Tel. 01-462 7555.

BUSINESS PROBLEM BY OUR LEGAL STAFF

A back duty inquiry

I have had the same accountant since 1953. In 1970 a back duty inquiry was started and after seven years I have been presented with an account showing undisclosed profits of upwards of £20,000. Meaning I have retired. Can I change my inspector? Is it normal for a case to take so long? What do you think I should do?

Back duty inquiries do often take a long time, and it is often possible to say whether either the Inland Revenue or your own accountants are open to criticism. You have no right to change tax districts, but you do have of course a right to ask your MP (or indeed any MP) to refer a complaint of maladministration to the Parliamentary Commissioner—the Ombudsman. Your first step must be to have a long talk with your accountant, to enable you to form an opinion as to where any blame for the length of the inquiry may lie. If you should feel that your accountants have been at fault, then possibly your bank manager may be able to suggest a firm who could take over the conduct of your tax affairs. To change accountants at this late stage, however, may prove very expensive.

If you are reasonably satisfied that your accountants are not to blame, then your local MP may be able to help you, even if you do not feel justified in lodging a formal complaint of maladministration. For example, the Tax Inspector, if indeed you have not met the Inspector face-to-face for some time.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

You'll find us in offices right around the world

Roneo Vickers sell five thousand different office products in 60 countries. Right around the world we're getting it right so that office people not only work better but enjoy their work more.

Roneo Vickers equipment is making filing easy, putting records at your fingertips, turning out photocopies like originals, duplicating everything from letters to four colour offset leaflets, faster.

Roneo Vickers desks, chairs, furniture and partitioning are making everyone feel comfortably at home.

Roneo Vickers business forms are keeping computers happily fed. Roneo Neopost machines are zipping up mailrooms—addressing, collating, folding, inserting, sealing and franking with a skill that staggers even the unemotional Japanese.

We've got it right—right around the office. Sales running at over £100 million a year prove it. Right around the world. Isn't it time you got it right? Check the Roneo Vickers range today. Phone us on 01-686 4333. Ask for Roneo Right Line. Or write to us at Roneo House, Lansdowne Road, Croydon CR9 2HA.

Roneo Vickers
We've got it right. Right around the office.

Copiers - Desks - Chairs - Duplicators - Storage and Filing Systems - Partitioning - Business Forms - Neopost Mailroom Equipment.

to
Sa
VOR
air Condition
and Refrigerat
Engineering prod
and service.
UALTA
need Dose
Sinter

FINANCIALTIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY

Telephone: 01-248 3800

Wednesday October 19 1977

Courage and firmness

CHANCELLOR SCHMIDT kept his nerve. The ordeal which he and his colleagues had to face in the past few weeks was far the most serious in the long history of international terrorism. Not only was it the kidnapping of the industrialist, Dr. Schleyer, that had preceded by the kidnapping of the banker, Dr. Ponto, and the Federal Prosecutor, Dr. Buback. It was followed by the Mallorca hijacking, such was the apparent efficiency of the terrorist organisation that it must always have seemed possible that it could hijack another aircraft, it could hijack another, that if it could pick up Dr. Schleyer, it could just as easily pick up someone else. That was the nightmare of escalation. Besides that, there must always have been the fear that even if the authorities were firm, they might hinge the rescue operation—as, in fact, happened at the Munich Olympics in 1972—on when it was the hostages themselves who were killed.

Inquest
It has to be said, too, that although the Schleyer affair has been the most serious so far, it is not the worst imaginable. Suggestions that terrorists will one day seek to carry out their threats with the aid of nuclear weapons can no longer be dismissed as wholly fanciful. The nuclear materials, after all, are there: it would require only a further escalation on the part of the terrorists to threaten to use them. That again needs to be thought about, and the possibility guarded against before it happens.

Sanctions
Yet Herr Schmidt seems to have stuck throughout to two basic principles. The first was the determination not to give in. The second was the need to secure as much international support for his stand as possible. He was not helped by the Japanese example of giving in to hijackers even when Dr. Schleyer was still kidnapped, group in German prisons and it is significant that the Japanese surrender was actually prompted with approval by the hijackers on the way to Mogadishu. Equally, however, Herr Schmidt should make it clear that the Japanese to give again. He has shown what can be done.

If it was necessary to secure international co-operation, it was because terrorism itself is international. The Baader-Meinhof group and its offshoots may be peculiar to West Germany; the methods which they use are not. The Japanese Red Army, some of the more extreme Palestinian movements and the groups which have operated in California all work in the same way. Moreover, they co-operate among themselves and they work on an international co-operation.

The dollar and world trade

THE WEAKNESS of the dollar has become more marked since the meeting of the International Monetary Fund at the end of last month. This weakness has, of course, been greater against other currencies than against the yen, whose dollar rate the Japanese government has allowed to appreciate to some extent through fear of direct restrictions on its imports into the U.S. But the dollar has been weak against currencies in general, and not simply because of President Carter's undertaking to give the U.S. economy a fresh stimulus next year if this were needed to maintain an adequate rate of growth. This in itself would be acceptable. What foreign observers find difficult is to reconcile this expansionist approach with a trade deficit which is expected to be extremely large not only this year but next—not least because the Administration's energy conservation proposals have so far come to very little and U.S. oil imports are continuing to rise.

Uncertainty
Whether a fresh stimulus will be called for next year on purely domestic grounds is a matter on which there are all shades of opinion, inside and outside the Administration. The growth rate has already fallen from its very high level in the first half of this year and will probably fall further—how much is uncertain. Unemployment and unused industrial capacity are both high, though both concentrated in particular sectors.

Tax cuts
It is a matter for dispute, moreover, how any stimulus to the economy should be administered. A tax cut is one obvious possibility; but the difficulty of providing a tax cut strictly tailored to fit the internal economic situation would be increased next year not only by congressional elections but by the introduction (its publication has already been postponed several times) of the President's promised and comprehensive proposals for tax reform. It is a measure of the prevalent lack of confidence in

deal of play of the importance of the role of industrial democracy, in the company's future. But the critics felt that it was unnecessarily woolly on the issue of improved working performance. Although it said that Government finance should be injected in stages and that "each new stage should depend on evidence of a contribution both by the workforce and the management to the reduction of industrial disputes and improved productivity," there was no requirement for prior commitment.

Rational pay structure
That is why Leyland Cars is now involved in its make-or-buy attempt to steamroller the unions into a new system of company-wide bargaining. The belief seems to be that if this is accepted—and an overall majority of stewards did agree to the plan yesterday—the company will be well on the way to greater industrial peace. According to this theory, centralised bargaining will lead to a more rational pay structure, fewer leapfrogging pay claims, and a decline of the importance of local issues which have been behind much of the industrial unrest in Leyland.

MEN AND MATTERS
Hodgson's choice for bookmen
If you fancy buying 4,000 copies of a 1974 book by Spike Milligan called *Transports of Delight*, then you should hurry along to-morrow morning to London's Chancery Lane. Alternatively, you might like a few dozen copies of some weighty HMSO documents on British foreign policy between the wars. This will be among a curious pot-pourri of books being auctioned off at Hodgson's Rooms, now owned by Sotheby's, as part of a bid to revive a Victorian book trade tradition.

Sharp vibrations
First thing that stockbroker Tony Rudd did when he bought his copy of "Slater Walker: an Investigation of a Financial Phenomenon" by Charles Raw, was turn to the index. A common enough reaction, no doubt, among men of substance in the City.

Smiling through
There is a pained air at Thames TV when you suggest that Eamonn Andrews scarcely seems the ideal choice to present their new financial pro-

Leyland: time is running short

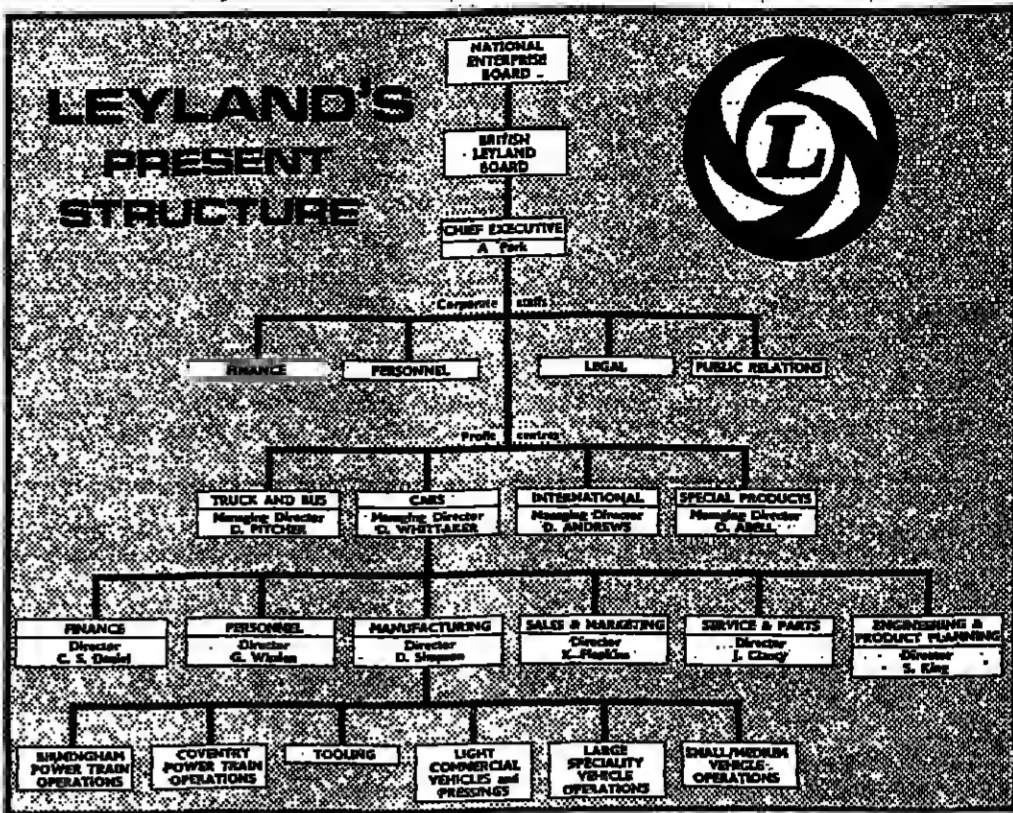
By TERRY DODSWORTH, Motor Industry Correspondent

When British Leyland announced its new Rover 2300/2600 range a Leyland executive murmured, "We have just launched another waiting list." His remark was echoed by a colleague. "We are not marketing our cars any more," he said. "We are running a department of creative allocation."

The two comments, made in sadness rather than anger, go to the heart of what might be termed the popular theory of what is wrong with British Leyland. According to this view, the shopfloor workforce in Leyland Cars is the main cause of the present sales debacle. Strikes, industrial disruption, and the consequent failure to build cars have undermined the company's financial base.

This argument, as the unions have found, is difficult to counter. It is self-evident that a company which is in business to sell cars cannot survive under the normal commercial rules unless it first makes them. But it can be argued—as the workers have done at various stages—that the industrial relations problem in Leyland Cars is exaggerated. According to that version blame for the company's present problems attaches equally to: (a) Lack of investment in the car industry is so complex that it is thrown into complete disarray by such a stop-start pattern; and every time Leyland stops the cycle, its targets slip a little more and its competitors—most of whom have announced similarly large investment programmes in the last year—move a little farther ahead.

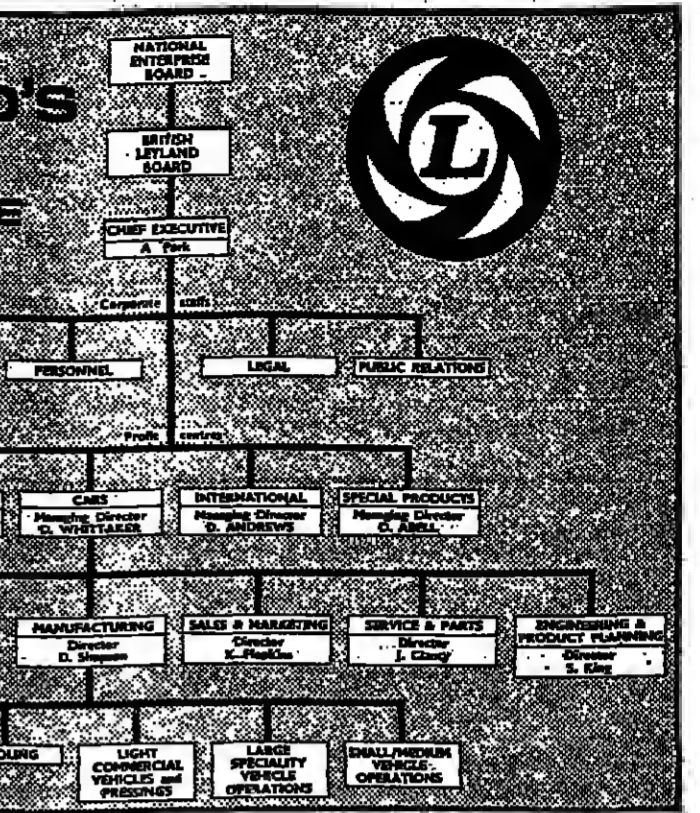
Some Leyland executives have a highly ambitious solution to this problem. They would like to negotiate with the Government arrangements similar to those which they believe exist between Renault and the French government under which the company can borrow virtually at will against government guarantees. Because the French government stays out of day-to-day involvement in the company's affairs (although it has directors on the main Board), Renault has much more freedom of action than Leyland, it is claimed. And this is underpinned by the financial independence which allows management to dictate tactics in any given situation.



Since the thinking behind the Leyland rescue has been designed to avoid giving the company a blank cheque, it is extremely unlikely that the Government would be tempted to adopt this idea. One alternative raised again during the present crisis, would be to give the company strict cash limits around which it has to plan its investment. At present, the Leyland structure leads in the opposite direction, with the central development plan as it were inscribed in stone, and the investment tailored to suit it.

Clearly, if this approach were adopted, it would mean that the company—and most of all the workforce—would be forced to face up to the issue of cutting investment much more directly than under the present scheme. The other alternative is to alter radically and begin to break up Leyland. That idea derives its attraction from the notion that smaller units are more manageable. It is easier to identify areas of investment priority, the argument goes, in units of more limited scale.

There is little doubt that there is some support for such a move among certain National Enterprise Board members. Two basic schemes are being proposed for dismantling the present structure. On the one



hand, the main business groups within British Leyland—Cars, Truck and Bus, and Special Products—could be separated and made to report directly to the NEB, ridding the organisation of the holding company and centralised staff organisation in London. The second idea would carry the break up further, dividing Leyland Cars itself into smaller profit centres—probably for specialised cars, volume cars, and drive train parts (engines and gearboxes)—which could call on central staff for engineering and financial services. Either form of re-arrangement would give the NEB and the Government the opportunity for making changes in top management.

The first of these schemes would pose few organisational problems, since the business groups are run virtually as separate companies at present. The real difficulties would come in trying to split up the Cars Group. This organisation is now developing an integrated product line in which components are shared between the different cars, whether they're basic, all luxury or utility vehicles. Naturally enough, Leyland Cars executives are bitterly opposed to redividing this integrated operation after the last 24 years of trying desperately to bring the separate functions together and establish common engineering and other facilities.

Yet many analysts believe that a split-up will eventually be forced on the company or the NEB. Yesterday's shop stewards' vote in favour of the Leyland centralised bargaining plan was, it is true, a blow in favour of the company. But even if Leyland wins the subsequent ballot of the whole workforce,

the company will still have to negotiate with the shop stewards it has defeated. It also has further tranches of loan finance to be raised.

Attractions for unions
Failure in these talks and further labour troubles would push the company inexorably towards a split. In trade union terms this move towards smaller organisations also has its attractions. Local issues could be settled at local level as always used to be done in Leyland. This would not, of course, guarantee better labour relations—Leyland had plenty of problems when it was a group of small companies. But it should make it easier to tailor investment to specific areas of success; and it could equally be argued that the smaller units, would be more within the managerial compass of a team which has found great difficulty in controlling the present, large-scale Leyland organisation.

It could be that the next month will determine the direction in which Leyland will move. By mid-November the company is due to finalise its regular business review with the National Enterprise Board. This will have to give some indication of progress made on the labour front. The NEB will then be able to decide whether the company has met its target more limited ambitions.

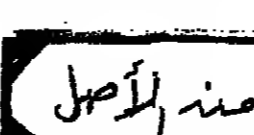
Unmistakable

Golden Ellipse and 18 ct. blue coloured gold. They invariably identify Patek Philippe designs. They tell you that the watch was finished entirely by hand, in the manner practised by Patek Philippe since 1839. The Golden Ellipse was derived by Patek Philippe from the Golden Section, the principle which already inspired the design of the Parthenon. The blue coloured gold of the dial is a bit of alchemy signed Patek Philippe.

Men's model (Ref. 3748).
Matching cufflinks also featuring Golden Ellipse and 18 ct. blue coloured gold.

PATEK PHILIPPE
Ennobled by the craftsman's touch

Catalogue and list of jewellers from: Patek Philippe, Dept. F, P.O. Box 35, Maidenhead, Berks SL6 3BG.



GERMANY AND THE TERRORISTS

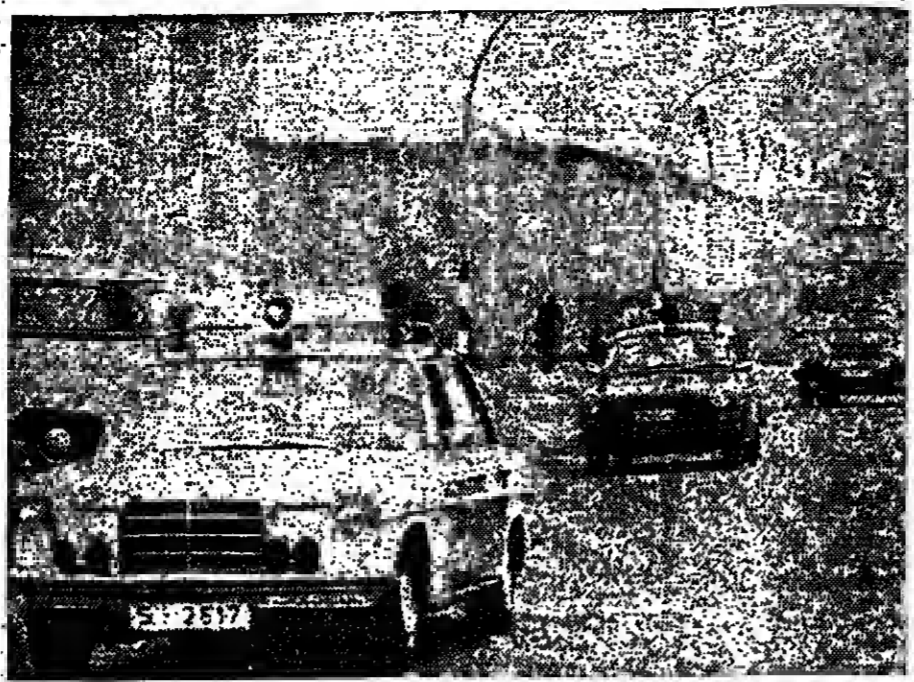
BY JONATHAN CARR IN BONN

The problems after Schmidt's triumph

THE HARD core of the Baader-Meinhof terrorist group is dead. The hostages aboard the hijacked Lufthansa jet are free. Even though the fate of the kidnapped industrialist, Dr. Hanns-Martin Schleyer, remains unclear, the terrorist movement in the Federal Republic of Germany has been dealt a sharp blow. Is it fatal? Could the movement have gained new martyrs and be spurred to still more devilish sophistication? The questions are being asked in Germany even amid the euphoria over the successful German commando operation in Somalia—itsself followed quickly by the suicide of three terrorists yesterday in Stuttgart Stammheim jail. Andreas Baader, 34, and Jan Carl Raspe, 33, shot themselves. Gudrun Ensslin, 37, hanged herself. How did the first two obtain their weapons? And how did any of them know the commando raid had succeeded, thus robbing them of the hope that the Bonn Government would be blackmailed into flying them to freedom? After all, these and other jailed terrorists are supposed to be wholly cut off from the world under the special law rushed through Parliament earlier this month.

Peace

Attention has often focused on the Baader-Meinhof group, as though the jailing or death of those immediately associated with the band might bring peace to sorely-tried German society. But beyond the handful remaining alive in German prisons, an indeterminate number of terrorists is still at large. A year or so ago authorities claimed there were a few hundred in that hard core. A few months ago the estimate had risen to 1,200. No one can be certain. But the brief glimpses occasionally revealed of their mentality are chilling indeed.



Police cars (left) escort the ambulance carrying Jan Carl Raspe and Ingrid Meisler to hospital in Stuttgart yesterday morning after they had tried to commit suicide in jail. Raspe died later in hospital. The man who led the attack on the hijacked airliner in Mogadishu, Ulrich Wegener of the Federal Border Police, is pictured right.

The second and third generation of terrorists did not. West German judges made a unique contribution—revealing reading, politically articulated and practised by people of whom, in happier circumstances, the State might perhaps have had cause to be proud. Over the last few days the patient and determined stand of the Bonn authorities has earned praise at home and admiration abroad. The strain on all those involved, but in particular on Chancellor Helmut Schmidt, was immense. Insofar as the details are known, no false hopes were made. But the weeks ahead will bring strains of a different kind—within the political parties and in Parliament. Much hangs on how this challenge, too, can be met.

Earlier this month a law was passed which has jailed terrorists, or those suspected of terrorism, from contact with the outside world, including their lawyers, when specially dangerous circumstances are held to exist. The law is now in force (although not wholly effective as the suicides in Stammheim indicate). A handful of Government coalition party deputies withheld their support for the measure, feeling basic freedoms were at stake. As the Government has only a majority of ten, the Bill would not have passed had not the opposition voted en bloc in favour. Those who

tween jailed terrorists and others are strongly advocated by the opposition but opposed by Government parties. They include the suggestion that there should be official monitoring of conversations between lawyer and client. The opposition may well insist on these measures in return for supporting the others, and its support may again prove essential if the measures that the Government feels necessary are to become law.

Relish

It goes almost without saying that pressure for speedy passage will increase sharply should Dr. Schleyer not be returned alive or another terrorist outrage occur. Many Germans are sick and tired of foreign doubts about them, foreign envy—and what often looks suspiciously like foreign hatred. They have had a fair measure of all these this year. From Bonn it sometimes seems as though the Nazi past is raked up most assiduously by Germany's closest allies: that an unhealthy relish is shown in anything that might be interpreted as a step towards German authoritarianism. The Germans have cause to feel unjustly attacked. They face a terrorist menace which seems to have unique in Europe if not the world. But after that is said the reaction of Parliament must still give cause for unease to Germany's friends.

Basic freedoms

The law is now in force (although not wholly effective as the suicides in Stammheim indicate). A handful of Government coalition party deputies withheld their support for the measure, feeling basic freedoms were at stake. As the Government has only a majority of ten, the Bill would not have passed had not the opposition voted en bloc in favour. Those who

Letters to the Editor

London as a market

From Mr. J. Cowper. Sir—I read (October 15) that Mr. Hattersley is to refer the merger of Smith Bros. and Bisgood Biscoe to the Monopolies Commission to assess whether the merger would increase the efficiency of the securities market with benefit to investors. Up to date Mr. Hattersley and his Government have shown considerable concern to the investing public and benefited them by a 2 per cent stamp duty, a rule requiring them to surrender 25 per cent of their foreign currency profits and limited their dividends. One would think the investing public are satisfied and cannot wait for another whim.

need to be substantiated by Bond Office statistics and at best they can only be averages—some bondholders will be luckier, others less lucky. Approaching small bondholders and prices from another angle, the average annual yield is 4 per cent, then bondholders with £100 invested could only expect on average to win a £25 price once in six or seven years. A caller was upset because his investment yielded only 1 or 2 per cent, and he asked me, "I assumed (mark the word) average of from 3-4 per cent. On the other hand a correspondent's investment yielded him 7.5 per cent annually—about double the average—for 16 months. Annual percentage yields plotted against the number of times they occur should fit the usual rigged distribution curve. Mr. Hardwick's yield (September 29) would be near the ridge crest and the yields of my caller and correspondent on either flank. Another caller doubted whether large prices of £5,000 and more are in fact handed out to bondholders but I could assure him that I did know at least one winner of £5,000.

research and development is charged against earnings, he has allowed in his calculation for R and D to be carried on at its current level. The problem is that the company "at risk" traditionally concentrates on survival and cuts back on long-term investments. He ignores that the company may react to the wage increase by trying to raise its price. In this age when companies have become used to increasing costs there is no question of their being slow to raise prices. At the macro level, at which Mr. Tillwood argues, these price increases will be constrained or not constrained according to the management of the economy such as the money supply and exchange rate and interest rate policies. In the case of up to 15 per cent pay increases that he argues, no Government is likely to be able to hold the economy sufficiently to make it impossible for companies at risk to raise their prices.

To-day's Events

- GENERAL: CBI leaders meet Mr. Denis Healey, Chancellor of the Exchequer, to urge caution in any relaxation measures... CBI Council meets afterwards... CONCORDIA makes first proving flight from Toulouse to Kennedy Airport, New York... British Leyland Board meets and will consider decision made yesterday's meeting of shop stewards on its proposed industrial relations package... THE QUEEN AND DUKE OF Edinburgh begin two-day visit to the Bahamas... Sr. Adolfo Suarez, Spanish Prime Minister, begins two-day visit to London... Two-day opening meeting... PARTY SYMPOSIUM on vandalism... BRITISH STANDARDS INSTITUTION annual meeting... LLOYD'S Register of Shipping casualty return for 1976... DAILY EXPRESS Motor Fair opens Earls Court (until October 30)... ANNUAL SERVICE for seafarers, attended by Lord Mayor and Sheriffs, St. Paul's Cathedral, 5.45 p.m. OFFICIAL STATISTICS: Basic rates of wages and normal weekly hours (September). Monthly index of average earnings (August).

- COMPANY RESULTS: British Home Stores (half-year), Drury Day (full year), Dunbee-Coxer-Marr (half-year), Duport (half-year), Rugby Portland Cement (half-year). COMPANY MEETINGS: Fisher (Albert), Blackpool, 11.30. Gresham House Estate, 24, Austin Friars, E.C. 12, Five Holdings, Winchester House, E.C. 12, West Hartlepool Steam Navigation, Hartlepool, 12.15. OPERA: English National Opera production of The Tales of Hoffman, Coliseum Theatre, W.C.2, 7.30 p.m. BALLET: Gala performance by Royal Ballet of The Sleeping Beauty, Covent Garden, W.C.2, 8 p.m.

Leasing cars can save you money. The new Ford Granada: emphasis on engineering. Your Ford Leasing Dealer can save you even more.

Order out of disorder

From Professor Sir Nevill Mott, FRS. Sir—I would like to thank Mr. David Fishlock for his article (October 15) on my Nobel prize, which gives an entertaining account of the work for which it was awarded. But I must add that the story in doubtful taste said to illustrate my sense of humour must have been made up by someone else, and should not be attributed to me. Nevill Mott, University of Cambridge, Department of Physics, Cavendish Laboratory, Madingley Road, Cambridge.

Efficient milk marketing

From the Managing Director, Fountain Farming. Sir—Once again your correspondent John Cherrington, (Are Milk Quotas the Only Answer? October 14) trots out his solution put forward by established farmers to apparent market over-supply. There is no doubt that there is a temporary over-supply problem within the EEC of milk products and it is quite clear that this is not only a social problem but must remain so quotas or no.

Shedding labour

From Mr. I. Jones. Sir—In his letter (October 12), Mr. Tillwood describes how he ingeniously measures the way that large wage increases could put many companies "at risk" and cause up to 1.5m. unemployed. While supporting his theory that high wage settlements and unemployment are necessarily linked, I would like to suggest some complexities to his analysis.

Easing exchange controls

From Mr. P. Millar. Sir—May I comment briefly on your article (October 14) about the case for easing exchange controls? It is only common sense that any proposals for change should at least accord with a broadly agreed interpretation of the economic phenomena which exchange controls are intended to order to the nation's advantage.

Selection at random

From Mr. D. Roper. Sir—The subject of "Ernie" is fascinating and an ever recurring topic. I merely add that I always switch from old to new bonds with, perhaps, minute success. May I make a new point, one never yet raised? How are the prefix letters allotted? A man buys 2,000 bonds series "ABC" 1-2000; his wife at the same time and place buys five "ABC" 2001-5? Or does she get a different prefix. Is the allocation indiscriminate or governed by a code of procedure? If the latter then I advance the theory that Ernie's selection is not random but "selective" random selection. I would like to know that I am wrong! D. H. Roper, Heath End, The Common, Chipperfield, Herts.

Premium bonds

From Mr. N. Wilson. Sir—Correspondence in your columns and telephone calls and letters to me following my letter of September 21 indicate that several of the people concerned may well be unlucky because their investments are small: £100 of eligible bonds invested for one year have only 105 average chances in 1,000 of winning a prize and even if held for five years only 525 in 1,000. Of course, these calculated chances

Ford Leasing advertisement featuring a list of car models and a contact form: Granada (2000-2800cc), Cortina (1300-2300cc), Escort (1098-1599cc), Fiesta (957-1300cc), Capri (1300-2994cc). Includes contact information for Ford Leasing System and a Ford logo.

Handwritten text at the bottom of the page: لا اله الا الله

William Baines
least £7.50

Financial Times Wednesday, October 19 1977

Marks & Spencer up £11m F. Summer at £0.5m: far and still improving midterm

MARKS & SPENCER's 1977 interim profits rose to £11m, up from £1.5m in the same period last year. The company's turnover rose to £24.5m, up from £22.5m. The interim dividend is 3.50p per share, up from 3.025p last year.

BOARD MEETINGS

The following companies have met their boards of directors since the publication of the Financial Times on October 12, 1977. The dates of the meetings are given in italics. The names of the directors are given in full. The names of the companies are given in full. The names of the directors are given in full.

These exclude substantial buying by foreign tourists, which are estimated at not less than £50m. At the beginning of October the new store in Kensington and extensions in Brent, Cross and Birmingham were opened. The group's range of family books is selling well and a trial range of china and glassware has been introduced.

INDUSTRIAL GROUP Francis Summer (Holdings) pushed taxable profit £96,000 higher to £37,000 in the June 30, 1977 six months on turnover ahead from £2.4m. to £3.0m. Current trading of the group is reasonably satisfactory, Mr. Max Malmann, chairman, says although some operating companies are still suffering from low profit margins.

Table with 2 columns: 1977, 1976. Rows include: Sales, Profit, Dividend, etc.

These are being written off as incurred. They report that in the U.K. store sales have increased over last year by 19 per cent. Despite a slow start, sales particularly of clothing and other merchandises have been encouraging.

Referring to the integration in Canada of businesses of two of the operating offshoots into one Marks and Spencer division, the directors point out that not all of the conversions have been successful. While sales in enclosed shopping malls and certain major shopping streets of the largest towns are making excellent progress, they are poor at the older free-standing downtown stores where modern malls have recently been opened nearby.

Mr. Malmann says the first half of 1977 indicates satisfactory trading. The interim figure incorporates a full tax charge but further stock relief will considerably reduce the eventual liability. There is a £200,000 extraordinary item, being the net surplus arising from the sale of the subsidiary Lloyds British Trading Company to Davy International, after provision for tax on the £1.7m. sale price and the termination losses expected from the engineering services division which was not sold. Lloyds had tangible assets of £573,000 at December 31, 1976.

Scholes in good position

Mr. G. R. C. McDowell, chairman of Scholes Electrical and Fusegear Co., is optimistic that the company's expansion programme will allow the company to take full advantage of present market opportunities.

Exports to this area. The full benefits of the investment will be long term, he adds, and he hopes it will put the company in a strong position to benefit next year from the growing demand from this export market.

Exports to this area. The full benefits of the investment will be long term, he adds, and he hopes it will put the company in a strong position to benefit next year from the growing demand from this export market.

Exports to this area. The full benefits of the investment will be long term, he adds, and he hopes it will put the company in a strong position to benefit next year from the growing demand from this export market.

COUNTER-INFLATION ACT 1973

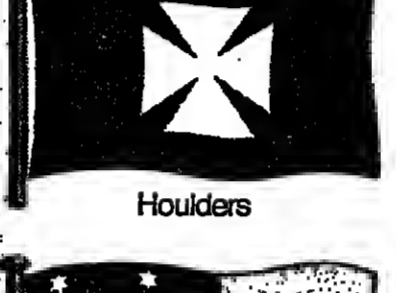
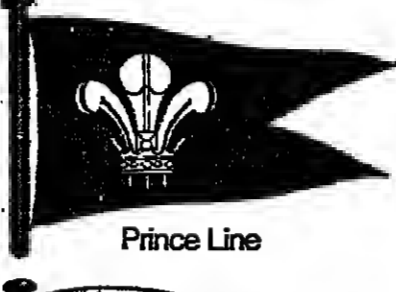
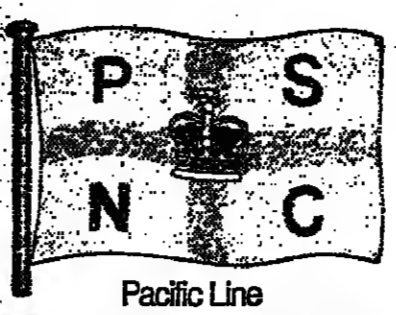
Table listing companies and their financial data under the Counter-Inflation Act 1973. Columns include company name, location, and financial figures.

Willows Francis to progress

Willows Francis has made no attempt to assess the value of the company's land and buildings on an adjusted basis in the absence of a professional valuation.

Electra Trust tops £2m. at halftime

Electra Trust has made no attempt to assess the value of the company's land and buildings on an adjusted basis in the absence of a professional valuation.



Furness Withy Group

Interim Results

For the half-year to 30 June 1977

Table comparing Unaudited and Audited results for the half-year to 30 June 1977 and the year ended 31 December 1976. Rows include Turnover, Profit before tax and extraordinary items, and Earnings per £1 ordinary stock.

The unaudited profit before tax of the first half-year of 1977, including an improvement in profits from associated companies and sales of ships, is £1.9m more than the corresponding period of the previous year.

With the shipping industry in such a depressed state, we shall do well if the results of the full year equal those of 1976.

The interim dividend now declared of 3.50p per £1 ordinary stock compares with 3.025p last year.

Furness Withy Group

One of the big names in British Shipping
Furness Withy & Co Ltd, 105 Fenchurch Street, London EC3M 5HH

Advertisement for Union Electric Company. Includes text: "1,600,000 Shares", "Price \$25 per Share", and a list of financial institutions like White, Weld & Co., Merrill Lynch, etc.

Advertisement for Brooke Bond Liebig. Includes text: "Results for the financial year ended 30th June 1977", a table of financial results, and contact information for the company.

BIDS AND DEALS

Ever Ready selling Mallory interest

BY CHRISTINE MOIR

The Ever Ready battery group sold its 23 per cent share in Mallory batteries in Europe back to the U.S. parent P. R. Mallory...

'Rexco' cuts LASMO holding

National Carbonising Company, the 'Rexco' smokeless fuel producer, has sold 1,214,282 shares, 57 per cent of its total holding...

AF sale to Ross Foods

In an important strategic move, the offer from Fruehauf Corporation, associated Fisheries is negotiating the sale of a large proportion of its food processing and distribution divisions to Ross Foods...

MORGAN GRENFELL AUSTRALIAN DEAL

Morgan Grenfell Holdings has sold its 10.4 per cent interest in the Australian merchant bank, AUC Holdings to Morgan Guaranty Trust of New York...

KIMPER REJECTS

As expected, holders of the 9 per cent Convertible Unsecured Loan Stock 1982-87 of Kimpher have rejected a scheme for its repayment at 135 per cent...

Deundi turns down 110p

HINDI TURNS DOWN 110p The highest bid so far in Zerrie's one-man-auction for Deundi Holdings has been turned down by the Board as being inadequate...

comment

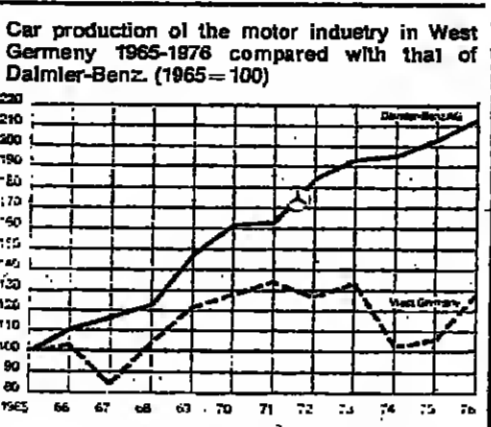
be quick of Deundi has not been very quick in mounting a defence against Zerrie. The horse is always out of the stable and still in the door...

SHARE STAKES

Allied Insulators Britannic Assurance holds 950,000 Ordinary shares (10.5 per cent).

1976 was a highly successful year for Daimler-Benz

World sales rose DM 2.5 bn on the previous year to DM 23.5 bn - an increase of 12%. Daimler-Benz thus continued the dynamic upward trend which it has managed to sustain even during the difficult period through which the car industry has been passing in recent years.



This success, past and present, can be explained by the careful balance of the overall policy.

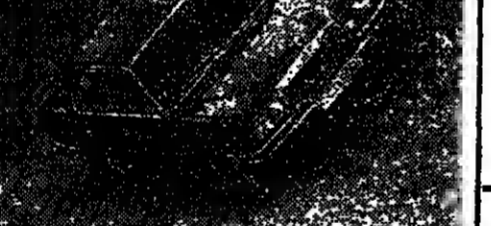
The year's Highlights

Expansion of the Mercedes-Benz range of cars from economical diesel-powered vehicles to exclusive limousines.

The chief event of the year was the introduction of an exceptionally successful new range of models - the 200 to 280 E series which gained new customers. One third of those buying one of this new range had previously driven a different make.

Despite having to cope with a re-organisation of the production programme affecting 80% of car output, 1976 sales in this sector were up 18% or DM 1.5 bn to DM 9.4 bn.

1976 saw the output of the 280/280E models more than double to 35,000, while S class models from the 280 S upwards further improved their leading position in the market.



Encouraging trends in sales of Mercedes-Benz commercial vehicles.

Sales of commercial vehicles were up DM 0.7 bn to DM 9.3 bn. As Europe's largest manufacturer of commercial vehicles, Daimler-Benz has gained for itself a very strong position on the world market with its new generation of trucks.

Start of long-term investment programme.

Investment for the 5 years from 1977 to 1981 will total DM 6 bn - dynamic spending which clearly reflects the Company's sense of social responsibility. This commitment has already had favourable repercussions on the business of the company's suppliers, and on the capital goods industry generally.

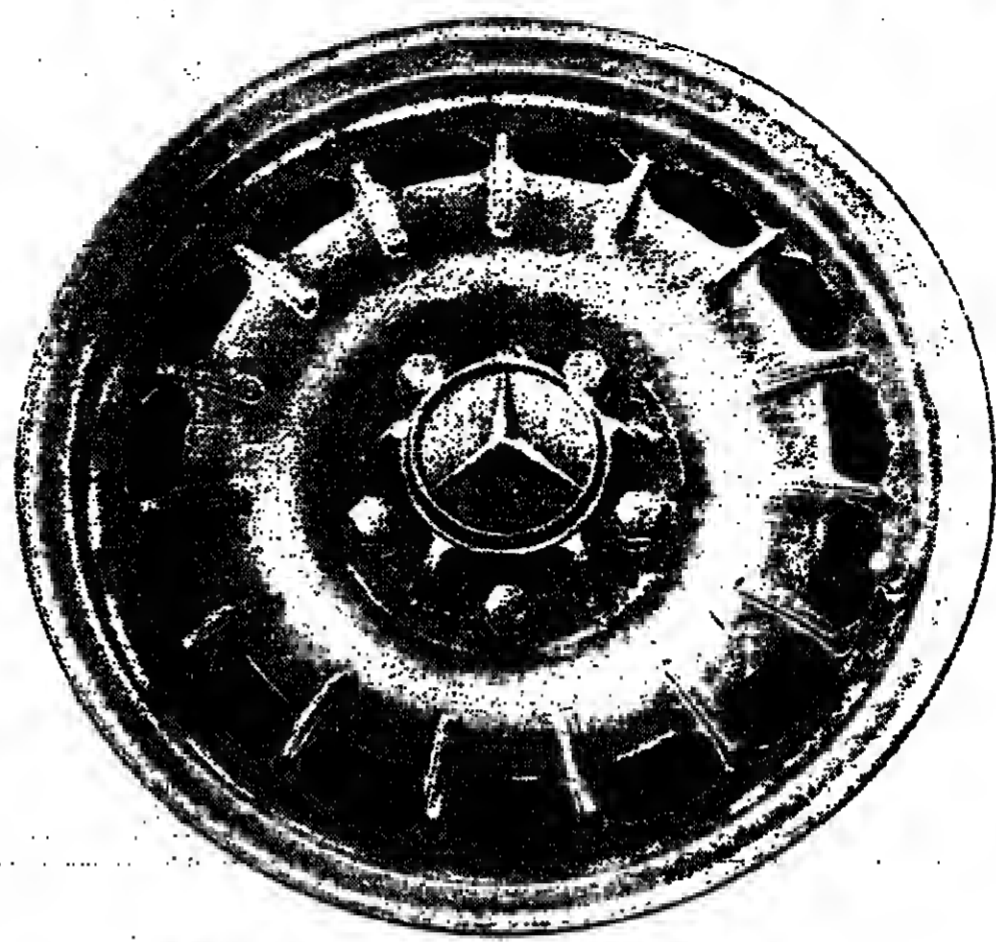
Risks spread by expanding exports.

Continuous expansion of the Company's presence is undertaken in almost all markets. This intensive activity in the export field is an important factor in the Company's policy of risk-spreading. Foreign sales rose 11% to DM 13.1 bn thus accounting for 55% of group sales.

Continuous technological improvement.

Continuous development of company and model policy - avoiding exaggeration and change for change's sake - and systematic research and development, result in top quality products outstanding for their safety, economy and long life. Again and again, Mercedes-Benz cars have received special recognition from independent observers of the motor industry scene.

Efficiency today safeguards tomorrow's growth



the German 'Commonsense Automobile' and 'Best Limousine in the World' and the American 'Import Car of the Year'.

Research and Development has produced many technical advances. Projects included the testing at continuous high speed of a supercharged diesel engine. The C111 test vehicle gained 16 class records for diesel engines...

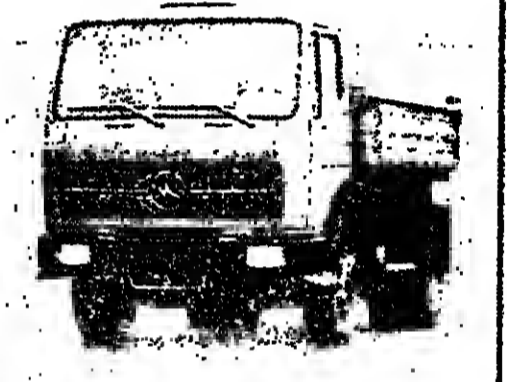
Solid financial foundation.

Net income for the year rose in 1976 from DM 310m to DM 392m of which DM 167m was allocated to reserves. To broaden further the Company's capital base, the AGM voted in favour of a capital increase of DM 170m based on a one-for-seven issue at par.

Daimler-Benz shares are now widely held, including shareholders in Mercedes-Benz Automobile-Holding, their number more than 100,000, of whom 15,000 are company employees.

The Daimler-Benz approach:

Continuity, World-wide presence, Wide product range, Technological leadership, Economic responsibility. A high investment programme, designed to secure existing jobs and create new ones...



The outlook.

The Company's progress is encouraging. In the current year car production will, for the first time ever, exceed 400,000 units, thus further strengthening the Company's ability to supply the market.

Daimler-Benz recognized at an early stage that demand for motor vehicles was subject to considerable fluctuation and took this fact into account in its planning. The result has been above-average growth in the past (see graph). Since efficiency today safeguards tomorrow's growth, a sound basis has been created for the Company's future expansion.

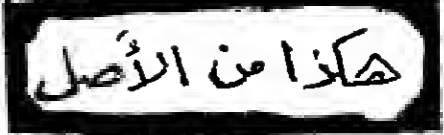
Daimler-Benz AG Balance Sheet at December 31, 1976 and 1975

Table with columns for Assets, Liabilities, Reserves, and Stockholders' Equity for Dec 31, 1976 and Dec 31, 1975.

Daimler-Benz AG Statement of Income

Table with columns for Net sales, Dividends and interest income, Interest expense, and Net income for Year 1976 and Year 1975.





INTERNATIONAL FINANCIAL AND COMPANY NEWS

Jardine profit moving up

BY DANIEL NELSON
SPITE A DISAPPOINTING performance of the previous year, and for manufacturing interests Jardine Davies missed its third depressed earnings as a quarterly dividend and said it...

R8m. from packaging deal for Reed Corp.

HONG KONG, Oct. 18. Holdings but the company was well placed to take advantage of any improvement in conditions there.

JAPANESE BUSINESS GROUPS Dai-Ichi 'families' close ranks

BY CHARLES SMITH IN TOKYO
NEARLY EVERYONE who has heard of Japan has heard of Mitsubishi, Mitsu and Sumitomo, the three giant business groups which dominated pre-war...

EDIU-M TERM CREDITS

Attractive terms for Brazil

BY FRANCIS GHILES
LIZIAN BORROWERS are owned by the Government, and to their policy of not being in the market: they are unlike most other Third...

Hang Lung ups profit 42%

HONG KONG, Oct. 18. HANG LUNG Development pushed up profits 42 per cent to make a group net figure of HK\$45.08m for the year ended June 30, compared with HK\$31.68m in 1976.

Reed Corp. deal for

JOHANNESBURG, Oct. 18. REED CORPORATION, the wholly-owned South African subsidiary of Reed International, will be receiving an R8m. cash payment from its associate, Reedpak, the listed company, which is 52 per cent owned by Reed International, as consideration for its printing and packaging interests considered complementary to Reedpak's activities.

Bank became responsible

Bank became responsible for the country's fastest growing retail chains. The bank clearly wanted to keep these and other companies under its wing but it had to give top priority to sorting out its own internal problems...

Shareholders' reports

Shareholders' reports for the quarter ended 30 September 1977. All companies mentioned are incorporated in the Republic of South Africa. All financial figures for the quarter and progressive figures for the current year to date, including those of Loraine Gold Mines, Limited, are unaudited.

ANGLOVAAL GROUP

Mining companies' reports - Quarter ended 30 September 1977. Prieska Copper Mines (Proprietary) Ltd. Issued capital 54 000 000 shares of 50 cents each.

Japanese retail trends

FINANCIAL TIMES REPORTER
TRADING results emerged today from two of Japan's retailers. The first, Dai-ichi, the largest retailer in the country, reported to increase its parent's after-tax profits by 11 per cent in the six months ended 31st March, but the country's best two department store groups, Matsuzaki and Tokai, saw parent company profits at the net level slip round 17 per cent.

LECTED EURODOLLAR BOND PRICES

Table with columns for Bond Name, Price, and Yield. Includes entries like Australia 5 1/2% 1982, Canada 5% 1982, etc.

ANGLOVAAL GROUP

Table with columns for Company Name, Quarter ended, and Financial year ended. Includes Prieska Copper Mines, Hartbeestfontein Gold Mining Co. Ltd., Consolidated Murchison Ltd., and Loraine Gold Mines, Ltd.

ANGLOVAAL GROUP

Table with columns for Company Name, Quarter ended, and Financial year ended. Includes Eastern Transvaal Consolidated Mines, Ltd. and Consolidated Murchison Ltd.

ANGLOVAAL GROUP

Table with columns for Company Name, Quarter ended, and Financial year ended. Includes Consolidated Murchison Ltd. and Loraine Gold Mines, Ltd.

1977 report

19 October 1977

INTERNATIONAL FINANCIAL AND COMPANY NEWS

AMERICAN COMPANIES

Fresh offer for CCLA

BY STEWART FLEMING

NEW YORK, Oct. 18

THE TAKEOVER battle for Coca-Cola Bottling Company of Los Angeles has taken a new turn with an announcement from Northwest Industries that it intends to make a \$200m. tender offer.

Celanese results disappoint

CELANESE CORPORATION net profit rose 61.5 per cent in the last year, at \$35m, or \$2.69 a share, against \$21m, or \$1.42 a share, in the same period last year.

BANKERS TRUST NY CORP.

Table with 2 columns: 1977, 1976. Rows for Third Quarter, Net profits, Net per share, Nine Months, Net profits, Net per share.

FIRST CHICAGO CORP.

Table with 2 columns: 1977, 1976. Rows for Third Quarter, Net profits, Net per share, Nine Months, Net profits, Net per share.

CONTINENTAL ILLINOIS

Table with 2 columns: 1977, 1976. Rows for Third Quarter, Net profits, Net per share, Nine Months, Net profits, Net per share.

MANUFACT. HANOVER CORP.

Table with 2 columns: 1977, 1976. Rows for Third Quarter, Net profits, Net per share, Nine Months, Net profits, Net per share.

FIRST PENNSYLVANIA CORP.

Table with 2 columns: 1977, 1976. Rows for Third Quarter, Net profits, Net per share, Nine Months, Net profits, Net per share.

DETROIT BANK CORP.

Table with 2 columns: 1977, 1976. Rows for Third Quarter, Net profits, Net per share, Nine Months, Net profits, Net per share.

TIME INC.

Table with 2 columns: 1977, 1976. Rows for Third Quarter, Revenue, Net profits, Net per share, Nine Months, Revenue, Net profits, Net per share.

MEAD CORPORATION

Table with 2 columns: 1977, 1976. Rows for Third Quarter, Revenue, Net profits, Net per share, Nine Months, Revenue, Net profits, Net per share.

COLT INDUSTRIES

Table with 2 columns: 1977, 1976. Rows for Third Quarter, Revenue, Net profits, Net per share, Nine Months, Revenue, Net profits, Net per share.

PPG INDUSTRIES

Table with 2 columns: 1977, 1976. Rows for Third Quarter, Revenue, Net profits, Net per share, Nine Months, Revenue, Net profits, Net per share.

BANCAL TRISTATE CORP.

Table with 2 columns: 1977, 1976. Rows for Third Quarter, Revenue, Net profits, Net per share, Nine Months, Revenue, Net profits, Net per share.

FRENCH COMPANIES

Electronics disposal by Ferodo

BY DAVID CURRY

PARIS, Oct. 18

FERODO, the leading French motor components manufacturer in a sector still heavily fragmented, has decided to dispose of its activities in the industrial electronics field because it foresees trouble for its subsidiaries of the market for their products.

Recovery by retailers

THE RECOVERY programme at Les Nouvelles Galeries, which views Printemps for the time the store was conceived in addition, along with La Samaritaine, it firstly refused to open a planned new store at the La Defense commercial centre just west of Paris because it felt that economic conditions would make it go inevitable loss-maker.

Plastics plan

THREE FRENCH companies have agreed to group together their polyethylene extrusion activities. They are Silvalac which is a subsidiary of St. Gobain-Poira-Mousson via Cellulose du Pin, Les Etablissements Manucler, and the subsidiary of CDF Chemie de Whi which is itself in the State-owned Charbonnages de France orbit, reports David Curry.

New bank for the United Arab Emirates

BY RICHARD JOHNS

DESPITE a moratorium on the opening of new financial institutions in the United Arab Emirates, the 55th so far to be licensed to undertake full commercial operations.

Now, however, President Zaid has apparently given his permission for another bank in which his own state, Abu Dhabi, will have a share although he is understood to have been angered by the Ruler of Dubai's action earlier in the year.

EUROBONDS

Continued slow recovery

BY MARY CAMPBELL

THE EURODOLLAR bond market continued to edge upwards yesterday, as dealers reported, under the impact of continuing short covering, and reassessment of yield levels.

Bank of New South Wales logo and announcement: Bank of New South Wales announces that with effect from Tuesday, October 18th 1977 its base rate for lending was reduced from 7% to 6% per annum.

Table of financial data for various companies including UNITED TECHNOLOGIES, SHEARSON HAYDEN STONE, MERRILL LYNCH & CO., MOTOROLA INC., BUDD COMPANY, HOUSTON INDUSTRIES, GEORGIA PACIFIC, CITICORP, AMERICAN HOME PRODUCTS, ELI LILLY & CO., GAF CORPORATION, ST. REGIS PAPER CO., and PFIZER.

Advertisement for Cordis Corporation: All of these Securities have been sold. This announcement appears as a matter of record only. October, 1977. 700,000 Shares cordis. Cordis Corporation Common Stock. L.F. ROTHSCHILD, UNTERBERG, TOWBIN MOSELEY, HALLGARTEN & ESTABROOK INC. BACHE HALSEY STUART SHIELDS THE FIRST BOSTON CORPORATION BLYTH EASTMAN DILLON & CO. DILLON, READ & CO. INC. DREXEL BURNHAM LAMBERT GOLDMAN, SACHS & CO. E. F. HUTTON & COMPANY INC. KIDDER, PEABODY & CO. KUHN LOEB & CO. LAZARD FRERES & CO. LEHMAN BROTHERS LOEB RHOADES & CO. INC. PAINE, WEBBER, JACKSON & CURTIS REYNOLDS SECURITIES INC. SMITH BARNEY, HARRIS UPHAM & CO. WERTHEIM & CO., INC. DEAN WITTER & CO. BEAR, STEARNS & CO. ALEX. BROWN & SONS SHEARSON HAYDEN STONE INC. WARBURG PARIBAS BECKER BUCKMASTER & MOORE HAMBROS BANK SAMUEL MONTAGU & CO. PICTET INTERNATIONAL

Fairview Estates Limited PRELIMINARY STATEMENT YEAR ENDED 30th JUNE, 1977. Table with columns: Year ended 30th June, 1977, Six months ended 30th June, 1976. Rows: TURNOVER, Rental Income, Taxation, Dividend, Amount absorbed by Dividende, Earnings per share, Net Asset Value per share, DIVIDEND, PROFIT & PROSPECTS.

Handwritten signature or mark at the bottom of the page.

A new market for food machinery

By ZBYNEK ZEMAN and KELSEY VAN MUSSCHENBROEK

THE EEC and Comecon negotiations during the 11 of 1978 to establish a technology frequently pose problems for developing relations and co-operation and agriculture are to figure prominently in discussions. The outcome could have immense implications for the future of the industry in the EEC, the medium- and long-term.

These are two quite distinct, related issues facing the industry in food and agriculture. First, rising consumer demand has emphasised the need to make these two development priorities. What is to do so is all the more because Eastern Europe, the USSR, is suffering a acute shortage of industrial machinery, which can only be replaced by releasing machinery from agriculture. And from means that agricultural machinery employs a greater proportion of the working force than is usual in the most developed countries.

tonnes in 1977-78—implying a grain requirement of some 225m. tonnes or some 6m. tonnes short of the average annual long-term trend grain requirement. Will the Soviets enter world markets for extra grain or will they cope by holding down per capita consumption? The latter could be achieved by better utilisation of grain for livestock feeding or shifting human consumption away from grain towards meat (raised largely on high protein feed, or imported from Hungary) or a combination of both.

That in turn would have important implications for "processed" food markets such as bread and other bakery products, dairy products and baby foods, all of which are among sectors now receiving increased investment not only in the USSR but in most other Eastern bloc countries. In the five-year period 1971-75, capital expenditure in the Comecon food industry (excluding Yugoslavia) totalled an estimated \$36bn. (converting on the basis of official exchange rates) of which roughly half was accounted for by the Soviet Union.

Romania and the USSR will be able to spend the forecast upper limits of their capital fund allocations to the food industry. Again, roughly one-half of the total sum will be accounted for by the Soviet Union.

Past figures and some of the current plans suggest that of total capital expenditure in Comecon, up to 40 per cent goes to the purchase of plant and equipment. Taking this as a rule-of-thumb for the food processing sector, expenditure on machinery over 1971-75 can be estimated at \$10bn-\$14bn, and that planned for 1976-80 at \$16bn-\$19bn.

It is much more difficult to estimate actual and potential purchases of food processing machinery from the West. Trade data for 1971-75 is not available in a way that allows for calculation of total food machinery imports by Comecon countries. However, Soviet data suggests that purchases of food machinery from Western sources in 1975 totalled \$100m., excluding packaging equipment which was put at \$9m. worth in 1974 in a U.S. assessment of the Soviet market. The same source suggested that purchases of food processing and packaging machinery will reach over \$500m. by 1978.

	Meat and Fish	Dairy*	Milling and Baking†	Fruit and Vegetables	Beverages	Freezing and Cold Storage	Canning, Bottling, Packaging
Bulgaria	Major; also co-operation agreements	Some		Considerable	Some		Some
Czechoslovakia	Some	Mostly technology	Little	Some	Some	Some	Considerable (mostly high technology equipment)
GDR	Little		Little		Some	Some	Some
Hungary	Some (equipment and technology)			Some; also co-operation agreements		Some	Considerable
Poland	Major (may include complete plant)	Major	Considerable	Considerable; also co-operation agreements	Major	Considerable	Considerable
Romania	Some (equipment and technology)	Some	Some	Some	Little		
USSR	Major	Major	Considerable	Major	Some	Some	Major
Yugoslavia	Some		Major	Some		Little	Some

* Includes baby food. † Includes confectionery.
Source: Comecon

Over the last few years it has become increasingly clear that the future of the Eastern bloc economies is linked to their performance in agriculture and food processing. These sectors can use up hard currency, badly needed elsewhere; agriculture can remain a heavy drain on the available labour pool; there are many other ways in which failure in food and agriculture can restrain the advance of the East European economies. Gradually, these sectors are winning the planners' attention as pivotal sectors of the economy.

Indoed these problems have already started to be a reality. The fact that Unilever had recently to cut back severely on its pork products capacity in Holland had not a little to do with the rapid penetration of Polish pork products (that is, canned hams) in the already competitive American market. Again, imports of canned goulash and other meat products into West Germany from Hungary have more than once played havoc with leading German meat canners' production schedules.

Grain raid

Looked at from the West there are both positive and negative reasons why there is a growing need to know much more about food and agriculture within the Comecon countries. This is symbolised perhaps by the way in which the U.S. has insisted on being able to maintain regular surveillance of Soviet crops within the terms of the 1973 U.S.-Soviet Agricultural Agreement.

Two record Russian grain harvests in succession (1976 and 1977) have lessened the threat of another Russian "grain raid." Despite this, it can be argued that the fundamentals of the Soviet grain problem have not really changed. The U.S. Department of Agriculture has just lowered its estimate of 1977 Soviet grain output to 215m. tonnes, and raised its estimate of Soviet grain imports to 18m.

At least is one of a number of scenarios from a detailed report on Comecon food processing machinery, which forms part of a two-year research project on food and agriculture in the Eastern bloc countries, just completed, and backed by 17 of the world's largest food, drink, farm and food processing machinery and packaging companies.

Convenience

An important dynamic for the future development of "second stage" processed food products in Comecon countries (convenience foods, if you like) is the high proportion of women at work—ranging 50 per cent. to East Germany, for example—

who are married. Nevertheless, hard currency constraints coupled with the difficulty of exporting processed foods to the West means that the various Comecon members will also be looking to each other to supply know-how and technology.

Intra-Comecon trade is continuing to grow in agro-chemicals, farm machinery, and such areas as sugar refining and brewing technology. These are also areas where the Comecon countries are competing ever more strongly in world (notably Third World) markets.

POINTMENTS

LEADING STOCKBROKERS

Have vacancies for **SILT SETTLEMENT STAFF**

base ring 01-606 3205

COMPANY NOTICES

ANGLO AMERICAN INDUSTRIAL CORPORATION LIMITED
Incorporated in the Republic of South Africa

DIVIDEND NO. 27

Further to the dividend notice advertised in the press on the 8th September, 1977 the conversion rate applicable to payments in United Kingdom currency in respect of the above-mentioned dividend is £1 = R1,545,985 equivalent to 14,230,400 per share. The effective rate of South African Non-Resident Shareholders Tax is 15 per cent.

For and on behalf of **ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED**
London Secretaries: J. C. GreenSmith

London Office: 25, Abchurch Lane, EC4N 3DF, England
Office of the United Kingdom Transfer Secretaries: Charter Consolidated Limited, 25, Abchurch Lane, London EC4N 3DF, England
18th October, 1977.

PERSONAL

WANTED

Working people in their 20s to 30s who know how to get the most out of life!

REWARD!

Identified social horizon full of exciting opportunity and the satisfaction that your membership helps support the Mental Society for Mentally Handicapped Children.

For details and an invitation to one of our monthly information parties please telephone: **BACCHUS 01-229 4360**

ANGLO AMERICAN INVESTMENT TRUST LIMITED
Incorporated in the Republic of South Africa

ORDINARY DIVIDEND NO. 75

Further to the dividend notice advertised in the press on the 8th September, 1977 the conversion rate applicable to payments in United Kingdom currency in respect of the above-mentioned dividend is £1 = R1,545,985 equivalent to 129,367,270 per share. The effective rate of South African Non-Resident Shareholders Tax is 15 per cent.

For and on behalf of **ANGLO AMERICAN INVESTMENT TRUST LIMITED**
London Secretaries: J. C. GreenSmith

London Office: 25, Abchurch Lane, EC4N 3DF, England
Office of the United Kingdom Transfer Secretaries: Charter Consolidated Limited, 25, Abchurch Lane, London EC4N 3DF, England
18th October, 1977.

PUBLIC NOTICES

CITY OF QUINCE

20,000 bills issued 18.10.77 due at 21st. Applications were total outstanding 500,000.

TINNEY BOROUGH COUNCIL

20,000 bills issued 19.10.77 due at 22nd. Applications were total outstanding 500,000.

ALL METROPOLITAN BOROUGH

50,000 bills issued 19th October, 1977. Applications were total outstanding 1,000,000. These are the next billings.

DA BEEKS CONSOLIDATED MINES LIMITED
Incorporated in the Republic of South Africa

DEFERRED DIVIDEND NO. 115

Further to the dividend notice advertised in the press on the 24th September, 1977 the conversion rate applicable to payments in United Kingdom currency in respect of the above-mentioned dividend is £1 = R1,545,985 equivalent to 1,111,111 per share. The effective rate of South African Non-Resident Shareholders Tax is 15 per cent.

For and on behalf of **ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED**
London Secretaries: J. C. GreenSmith

London Office: 25, Abchurch Lane, EC4N 3DF, England
Office of the United Kingdom Transfer Secretaries: Charter Consolidated Limited, 25, Abchurch Lane, London EC4N 3DF, England
18th October, 1977.

WANTED

Public company interested in the lease of a second-hand shotblast machine of the Wheelabrator type (5 ft. throw by impeller wheels), rotor belt, chain or slot type. It probably suit. All opportunities suggested. This is a private enquiry and not for a third party. If types of shotblaster considered what they are not handicapped shotblast loan type.

For G017, Financial Times, 20, Cannon Street, EC4A 3DF.

MOTOR CARS

LAND ROVER, RANGE ROVER AND PEUGEOT Now available from stock. Please call 01-958 4131. TRANSAUTEX (U.K.) LTD. 20 GALL MALL.

CAR HIRE

RANGE ROVERS and Land Rovers for hire. Unlimited or will deliver. Four or more. Call 01-958 4131. TRANSAUTEX (U.K.) LTD. 20 GALL MALL.

OBITUARY

On October 15, 1977, Dr. Carl Hodge, 82 years old, died. He was a member of the City of London and was a member of the City of London and was a member of the City of London and was a member of the City of London.

Laser, light, leadership & NEC

Everyone remembers Aristotle's first step to the moon. But not why he failed to reach there. That minor detail—a straight laser beam from earth to the moon—cutting through the distance between earth and moon.

But the year before NEC had already achieved the impossible—transmitting laser beams at will. NEC had become the first in the world to announce a worldwide light communication network, SELFLOC, in 1968.

Test-proven SELFLOC is a simple, tiny glass fiber which conducts laser beams containing an extremely large volume of information in an unbelievably small space. Voice, Video, Or data.

Doing the unbelievable is a tradition with NEC, the two-billion dollar corporation with wide-ranging integration of electronics, computers and communications. That vast scope has maintained NEC's leadership in awe of the technological feats that affect many very human things.

Spreading the word to the world.

NEC
Nippon Electric Co. Ltd.
For further information write: P.O. Box 1, Tokyo, Japan. Telex: NECOR J 3205.

Main Fields: Telecommunications, Radio Systems, Information Processing & Industrial Systems, Electron Devices, Home Electronics

WALL STREET OVERSEAS MARKETS + FOREIGN EXCHANGES

Rally on bargain hunting falters

BY OUR WALL STREET CORRESPONDENT

AN INITIAL rally fuelled by a new rise soon in the Prime... Dow Jones Industrial Average was only 0.17 harder on balance at \$20.51 after having touched \$20.51 earlier in the session. The NYSE All Common Index ended unchanged on the day at \$51.19, after \$51.37, while gains held the edge over losses by \$57 to \$20.17. Trading volume expanded by 2.79m. shares to 20.13m, compared with yesterday.

TUESDAY'S ACTIVE STOCKS

Table listing active stocks: Alcon Laboratories, Dr. Pepper, Veto, etc. with price changes.

OTHER MARKETS

Canada mixed

Canadian Stock Markets closed on a mixed note yesterday after a modern business. The Toronto Composite Index was 1.0 easier at 987.15, while Golds, after recent strength, reacted 8.1 to 1264.0. Oils and Gas, however, improved sharply in the latest two sessions, leading to a continued higher level. The Real Estate index jumped about 21 points as Campaign 'A' gained 0.1 to \$23 on announcing plans to make the 'A' shares convertible at \$7 each.

Indices

NEW YORK - DOW JONES table with columns for Oct 17, 18, 19 and High/Low. Includes sub-tables for Standard and Poors and Overseas Share Information.

Foods and Electricals made the biggest gains, followed by Investment Portfolios, Motors, Buildings and Stores. Banks, Printing and Oil were steady to higher, while Metals were mixed. Chemicals and Engineering were easier exceptions.

Public Bonds were narrowly mixed, with changes limited to DM10.0 on either side. The Regulating Authorities bought DM1m. nominal of stock (DM12m).

SPAIN - Market tended lower in quiet trading, the Madrid index slipping 0.18 to 56.00. However, there was some buying of Property shares.

HONG KONG - Slightly firmer in thin trading, with interest concentrated in Blue Chips. Jardine Matheson rose 10 cents to \$243.50 on the higher interim dividend and forecast rise in annual dividend and profits.

VIENNA - Quist and mainly little changed. HONG KONG - Slightly firmer in thin trading, with interest concentrated in Blue Chips.

AMSTERDAM - Share prices mainly edged forward in quiet conditions. Royal Dutch led Dutch inter-nationals higher with a gain of Fl.1.

BRUSSELS - Market continued to show a dull bias in a very thin business. UCB declined Frs.20 to Frs.1,274. Pan Holdings Frs.20 to Frs.2,500.

Stocks showed a slightly easier bias, but Dutch inter-nationals and Germans pointed higher.

MILAN - Stocks continued to weaken in more active dealings at the close of the monthly account. Generali Immobiliare fell 4.50 to 100.00.

JOHANNESBURG - Industrials 216.4, 214.7, 206.5, 203.9, 214.7 (17/10), 154.4 (24/9), 210.8, 210.4, 211.2, 210.9, 211.2 (14/10), 168.1 (22/4).

The Canadian dollar was very volatile in the foreign exchange market yesterday, recovering in the afternoon after touching a record low of 89.60 U.S. cents in early trading. It closed at 90.16, compared with 90.43 on Monday.

Several European central banks gave support to the dollar yesterday, but the Bank of England was probably not included. The authorities may have helped the pound during the afternoon, however, as it fell from a highest level of \$1.7740-1.7745, to \$1.7720.

Australia - The renewed power strike caused prices to react after a firm start to finish with irregular movements. BHP were unchanged on balance at \$45.44, after touching \$45.75, after touching \$45.75.

EURO-CURRENCY INTEREST RATES table with columns for Oct 18, Sterling, Canadian Dollar, U.S. Dollar, etc.

EURO-CURRENCY INTEREST RATES table with columns for Oct 18, Sterling, Canadian Dollar, U.S. Dollar, etc.

EURO-CURRENCY INTEREST RATES table with columns for Oct 18, Sterling, Canadian Dollar, U.S. Dollar, etc.

EURO-CURRENCY INTEREST RATES table with columns for Oct 18, Sterling, Canadian Dollar, U.S. Dollar, etc.

EURO-CURRENCY INTEREST RATES table with columns for Oct 18, Sterling, Canadian Dollar, U.S. Dollar, etc.

EURO-CURRENCY INTEREST RATES table with columns for Oct 18, Sterling, Canadian Dollar, U.S. Dollar, etc.

EURO-CURRENCY INTEREST RATES table with columns for Oct 18, Sterling, Canadian Dollar, U.S. Dollar, etc.

EURO-CURRENCY INTEREST RATES table with columns for Oct 18, Sterling, Canadian Dollar, U.S. Dollar, etc.

EURO-CURRENCY INTEREST RATES table with columns for Oct 18, Sterling, Canadian Dollar, U.S. Dollar, etc.

EURO-CURRENCY INTEREST RATES table with columns for Oct 18, Sterling, Canadian Dollar, U.S. Dollar, etc.

EURO-CURRENCY INTEREST RATES table with columns for Oct 18, Sterling, Canadian Dollar, U.S. Dollar, etc.

EURO-CURRENCY INTEREST RATES table with columns for Oct 18, Sterling, Canadian Dollar, U.S. Dollar, etc.

EURO-CURRENCY INTEREST RATES table with columns for Oct 18, Sterling, Canadian Dollar, U.S. Dollar, etc.

EURO-CURRENCY INTEREST RATES table with columns for Oct 18, Sterling, Canadian Dollar, U.S. Dollar, etc.

EURO-CURRENCY INTEREST RATES table with columns for Oct 18, Sterling, Canadian Dollar, U.S. Dollar, etc.

EURO-CURRENCY INTEREST RATES table with columns for Oct 18, Sterling, Canadian Dollar, U.S. Dollar, etc.

GOLD MARKET table with columns for Oct 18, Price, etc. listing various gold prices.

FOREIGN EXCHANGES table with columns for Oct 18, Bank, Day's Spread, etc. listing exchange rates for various currencies.

CURRENCY RATES table with columns for Oct 18, Price, etc. listing currency rates.

CURRENCY RATES table with columns for Oct 18, Price, etc. listing currency rates.

CURRENCY RATES table with columns for Oct 18, Price, etc. listing currency rates.

CURRENCY RATES table with columns for Oct 18, Price, etc. listing currency rates.

CURRENCY RATES table with columns for Oct 18, Price, etc. listing currency rates.

CURRENCY RATES table with columns for Oct 18, Price, etc. listing currency rates.

CURRENCY RATES table with columns for Oct 18, Price, etc. listing currency rates.

CURRENCY RATES table with columns for Oct 18, Price, etc. listing currency rates.

CURRENCY RATES table with columns for Oct 18, Price, etc. listing currency rates.

CURRENCY RATES table with columns for Oct 18, Price, etc. listing currency rates.

CURRENCY RATES table with columns for Oct 18, Price, etc. listing currency rates.

CURRENCY RATES table with columns for Oct 18, Price, etc. listing currency rates.

CURRENCY RATES table with columns for Oct 18, Price, etc. listing currency rates.

CURRENCY RATES table with columns for Oct 18, Price, etc. listing currency rates.

CURRENCY RATES table with columns for Oct 18, Price, etc. listing currency rates.

CURRENCY RATES table with columns for Oct 18, Price, etc. listing currency rates.

FINANCIAL TIMES SURVEY

Wednesday October 19 1977

London Metal Exchange

Centennial year for the London Metal Exchange could see a major new venture —the launching of an aluminium futures contract. Tin and lead have proved lively markets in the past 12 months, but copper and zinc remain depressed.

CENTENNIAL YEAR has not been a particularly happy one for the London Metal Exchange. Its main market, copper, has been depressed and seems to remain so for some time. On the other hand the tin market has been very active. The other metals lead have had bursts of activity, and the zinc market has become a reater influence in trading. The price for zinc coming from the U.S. tends to call for heavy pressure. Trading has been steady rather than spectacular, with speculation in the U.S. tending to call for a rise in copper to a extent.

The surface it appears to be a fairly uneventful year, apart from the centennial celebrations. But the scenes plenty has been happening. It now seems likely that the LME will lead with plans to launch a contract for aluminium. This would be the first new contract on the Exchange since 1968. It would represent a considerable gamble in that most of the world aluminium producers, who fix the price at which they sell their product, strongly opposed to a price medium being set up by the Exchange which could put traditional trading patterns in the industry. It can be argued therefore that a new contract will not be launched without a considerable struggle.

Its supporters claim that there is a definite demand for a price medium and alternative source of financing for times of surplus, or for extra supplies in times of shortage.

Aluminium is after all the biggest non-ferrous metal in volume terms and several member companies of the Exchange already trade in substantial quantities on the so-called "free" market, not controlled by the big Western world producers. The move by one dealer, Rayner Harwill (a subsidiary of the S. and W. Beriaford group), in setting up its own free-market aluminium trading contract last month, has been another important influence encouraging the LME to go ahead with an aluminium futures contract. It is that it set an important precedent in demonstrating that it could be done. Whether the much larger scale LME contract will attract sufficient supplies to make it a viable market, or be crushed by the producers, is another matter.

Prospects
But the LME management committee has also to bear in mind that the Exchange cannot live on past glories. It will have to be expansion-minded if it is to survive the next 100 years. Prospects for a nickel futures market are also being carefully studied in view of the changed situation in that metal, with International Nickel losing its dominance and scrapping, temporarily at least, the producer's quotation in favour of confidential pricing. Extra markets to deal in would undoubtedly be welcomed by most metal traders faced with the prospect of a depressed copper price for some time to come. Indeed if the controversial UNCTAD proposals for an integrated commodities programme, backed by a multi-

purpose common buffer stock fund, come to fruition then the Metal Exchange could lose its present dominant role in world copper pricing. Very slow progress has been made in negotiations for the establishment of an international copper agreement. The talks, which were making unexpectedly good headway at one stage, have now been clouded (some would say poisoned) by the panics surrounding the

fluctuating London Metal Exchange quotations. Zinc producers are also extremely reluctant to abandon their European producer price system in favour of reverting to LME quotations, as is the case with lead. New efforts are being staged by Continental zinc producers in particular to defend the producer price system established in 1964. They are backed to a large extent by consumers too,

gathering impetus. So it is important for the Metal Exchange to try and widen its interests if it is to maintain an important, and influential, role in world metal trading. To fulfil at the same time its role as a world metal trading centre, the LME is under pressure to improve the financial stability of the market as a whole. This will be of greater importance should new markets be introduced to increase the

financial risk is spread among all members of the clearing association. Many leading companies, especially in the U.S., feel that a clearing system is essential for the LME these days in view of the big escalation in the sums of money traded resulting from higher metal prices and a big rise in the volume traded. They claim they cannot risk using the Metal Exchange under the present system and instead have to

the LME management committee, was formerly a keen supporter of a clearing system being introduced. But he has now changed his mind completely. "A clearing house system will not be introduced," Mr. Foster has said lately. Instead the LME members are to be asked to approve the introduction of the so-called "monitoring" system, linked with the use of a computer that will provide much more up-to-date information on trading details.

Advantageous interest rates. Attraction of these funds from outside sources is of vital importance to the LME and the metals industry, in that they help finance surplus stocks of metal which would otherwise have to be borne by the producer or consumer. The finding of over 60,000 tonnes of copper held in the LME warehouses has been a major achievement raising the envy of aluminium and nickel producers who have to finance their own stocks.

Debate on world role

By John Edwards, Commodities Editor

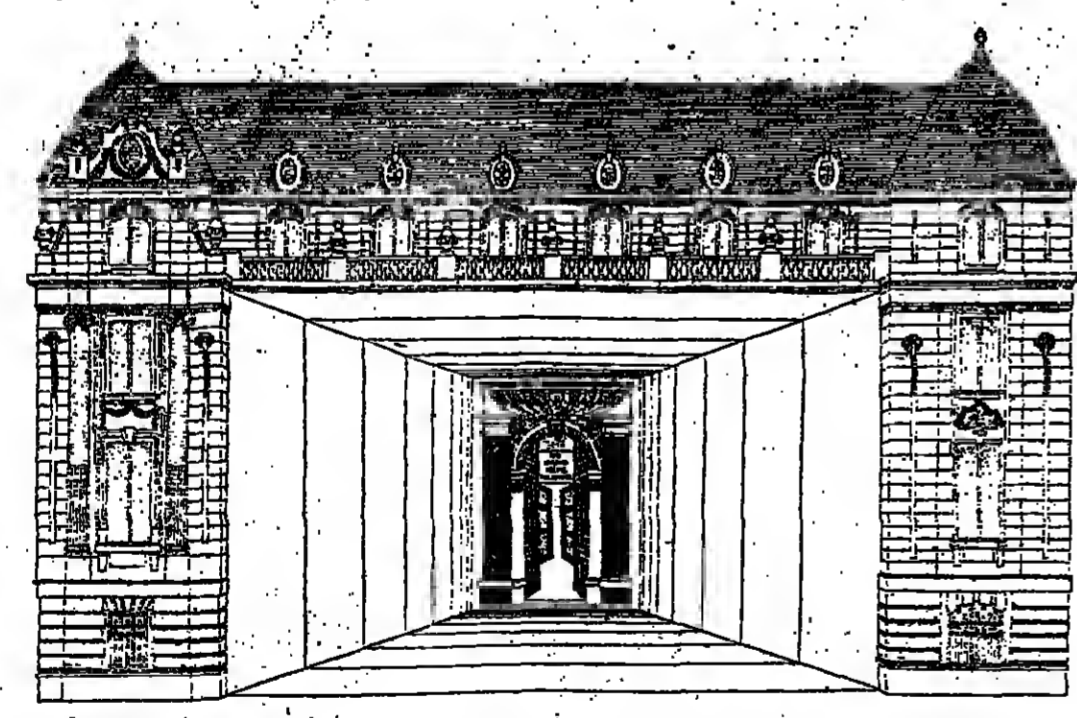
who prefer stable prices, especially as they are given discounts during times of surplus. Tin prices have at present broken loose from the control of the International Tin Council by shooting far above the "ceiling" set under the International Agreement. But it is only a matter of time before either prices come down, or the "ceiling" is raised sufficiently for the Tin Council to reassert control. There are signs too that producer influence is growing again in the lead market, although the full-scale support having been used in a permanent feature appears to have disappeared for good. Overall, the trend towards greater "stabilisation" of commodity and metal prices, is

hugely sums traded daily across the "ring" even more. It is no secret that the LME has been under constant pressure from the Bank of England, as well as many other interested parties, to introduce some kind of clearing house system to provide greater financial stability. The unique set-up of the LME, involving principals' contracts, means that the ring-dealing members have to bear individual risks, and it is feared that a big failure by one company could have a domino effect that would wreck the whole market. This particular danger could be overcome with the kind of clearing house system used by the "soft" commodity markets in Mark Lane or the type used by the U.S. markets where the

elsewhere, notably to Comex in New York. However, a large sector of the LME feels that the introduction of a clearing house would destroy the whole fabric of the market, turning it into a mini-Comex by driving away trade participation in favour of speculation. They point out that the Exchange is very different from other commodity futures markets in that it is also an important physical trading centre. The debate between the two sides has continued for many years, much to the frustration of the Bank of England. But with pressure increasing all the time, new proposals are promised within the next month. They will disappoint supporters of a clearing house, Mr. Mark Lane or the type used by the U.S. markets where the

Bank of England appears to be prepared to accept the compromise since it is far from anxious to encourage the growth of speculation and diminution of trade hedging that are likely to result from a full-blown clearing house. The argument is that existing industrial users of the market, who are given privileged treatment by member companies in not having to provide the margins and deposits required from other clients, would not be prepared to put up the margins required by a clearing house since this would create cash flow problems. In addition, the need for clearing house margins would also threaten another important part of present LME trading—the so-called "cash and carry" deals used by financial institutions to earn an

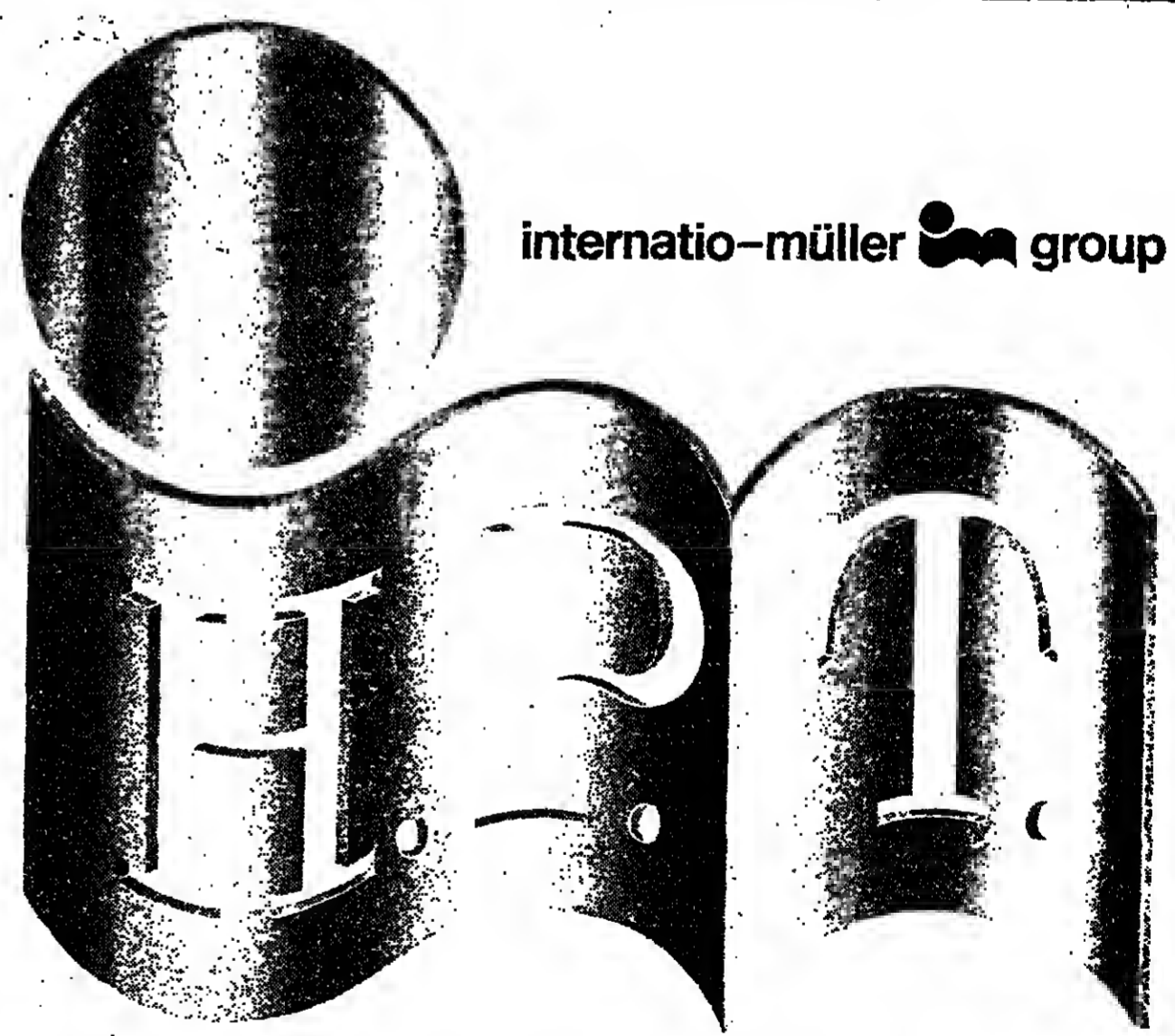
Speculator
In this context the role of the speculator in helping to provide sufficient liquidity for the market to operate effectively for the trade is also being appreciated more by Government authorities. There is little doubt that speculators have helped keep the price of copper substantially above the true market level, based purely on supply and demand considerations. In too, speculators have probably helped push prices higher than necessary and there was considerable criticism earlier this year that lead values had been artificially inflated. In the long term, however, it can be rightfully claimed that speculators put more money into the markets than they take out, while also providing the liquidity required for trade hedging. Nevertheless there are at present such big sums of available money around, even in Britain, seeking a haven against currency uncertainties and inflation that speculation is becoming a far more dominant market influence than in the past.



Behind these Portals— more than two centuries experience in metals.

In Frankfurt, the home of Metallgesellschaft, and in London, as a ring dealing member of the prestigious century-old London Metal Exchange, we are committed to finding, processing and trading metals the world needs. Metallgesellschaft has spent the better part of 100 years in metals—prospecting, mining, planning, financing, transporting and trading—and today is among the world's leading producers of non-ferrous metals, a manufacturer of many semi-finished metal products and a front runner in engineering and plant construction through its worldwide Lurgi subsidiaries. The focal point for Metallgesellschaft's trading activities is the London Metal Exchange where our extraordinary team of experts, drawing on a vast reserve of experience and tradition and supported by our own banking and financial services, trades actively both for the group companies and a well selected international clientele. The mutual confidence built up over the years between Metallgesellschaft, the London Metal Exchange and dealers throughout the world plays an immensely important role in our continuing efforts to maximize the opportunities in the exciting and rewarding world of metals. To find out more about Metallgesellschaft, just write or call.

METALLGESELLSCHAFT AG · Reuterweg 14 · D-6000 Frankfurt/Main 1
METALLGESELLSCHAFT LTD. · 19-21, Great Tower Street · London EC3R 5AQ
*Reg. Dealing Member of the London Metal Exchange



internatio-müller group

a modern and professional broking company that knows how to use the LME to YOUR advantage.

H.P. THOMPSON & SONS LTD.

8 LLOYDS AVENUE
LONDON EC3N 3AB

Telephone: 01-481 4611 Telex: 8951635

Ring Dealing Members London Metal Exchange

LONDON METAL EXCHANGE III

The growing influence of investment buying

IC UNCERTAINTY is in the first place to serve the interests of the metals trade in a less politically hedged medium. The trade activity remains the cornerstone of the LME, although not necessarily of its U.S. counterpart Comex in New York.

But this function could not be exercised without the speculative interest in the market. The point has been taken by the Government, which is no friend of the financial manipulator. In a speech in May 1976, Mr. Harold Lever, the Chancellor of the Duchy of Lancaster, addressed the question directly.

The commodity markets are the place where producers and consumers insure themselves against adverse price movements. The part of the insurer is played by the speculator. Contrary to a widely held misconception, the speculator can and does lose money as well as make it.

When he loses, he takes on himself a loss which the producers or consumers would otherwise have had to shoulder by selling for less, or having to pay more, than they had allowed for in their business calculations. His profit is the premium which producers or consumers pay to obtain certainty of price.

Provided the speculator acts as an insurer in this beneficial way, his function is healthy and we would be foolish to eliminate him," Mr. Lever said.

This is the classic economic justification of the role of the speculator. Often, however, the practice does not work out in quite the fashion the theory would suggest.

The more violent the price movements in a metal, the more active is the speculator. This is not surprising. Only certain modes of investment will prosper in a market of expected upsurge in economic activity.

It is at this point that the problems arise, because investment activity frequently tends to exacerbate fluctuations, to come into silver.

make the peaks and troughs of the metals it would have tin at the top, followed by lead, copper and zinc.

It is the exacerbation of price trends which so aggravates the metal producers and consumers. The difficulty has become particularly acute at a time when inflation has pushed up costs while recession has pushed prices down—with of course the exception of tin.

The market trends embracing this process were seen in 1974 when copper rose to a peak and then came back. It happened at the beginning of this year with a lead. It is happening to some degree with tin at the moment.

In fact, if a league table were to be drawn up showing the current level of speculative activity through the gamut of

On the supply side, the short-lived U.S. copper workers' strike brought cutbacks in some silver production, too, and production continues to run well below demand overall.

However, prospects for the silver market are still not looking too bright. Industrial demand remains muted at present by the failure of the expected upsurge in economic activity to materialise.

It may well be decided that the heavy U.S. dependence on silver imports to meet its needs makes it undesirable to sell off the stockpile at knock-down prices.

The trend of silver prices is virtually always decided in the U.S. where the large flow of speculative funds affecting the New York and Chicago markets are a dominant influence.

In London, the bullion brokers remain the dominant traders in actual silver, but the London Metal Exchange silver market has built up steadily, if not spectacularly, support since it was launched in 1969.

But this year could see a setback in trading activity, unless prices really start to move upwards. Turnover on the London silver market has been inflated in recent years by growing business from the U.S. increased options trading and the "cash and carry" deals for obtaining advantageous interest rates.

Recent moves in the U.S. challenged the use of commodity trading as a means of income tax avoidance or

more attributable to the huge surplus of zinc that has built up in recent years as a result of declining consumption.

At the Lead and Zinc Study Group it was predicted there would be a shortfall in production at 4.2m. tonnes compared with the Western world consumption of 4.5m. tonnes and net imports of 50,000 tonnes from the Communist bloc.

So far, producers have managed to avoid being forced into another reduction of the official European producer price. However, it is no secret that the \$700 price is being heavily discounted to remain competitive with the London Metal Exchange zinc market at a much lower level.

Many traders, and even some producers, feel that the European producer price system has become so discredited by discounting in the past two years that it will not survive for much longer—especially as the U.S. Justice Department and the EEC Commission are both none

of severe breaches of its policy of smooth, ordered and free market trading.

But the influence of the investor will still vary according to the state of the market. If industrial activity is at a low ebb and the trade is moving around less metal than in more prosperous times, then the amount of its hedging activity will be less, and the role of the speculator might be the greater.

A growing number of fabricators feel that if only more producers would use the LME for hedge selling, much could be done to dampen down the volatility of prices.

What is at issue is not the elimination of investment transactions. If there is to be a free market, reflecting the shifts of supply and demand in arbitrage at a trading price, such business is vital. It is the lubrication of the market. Rather, what is at issue is finding a balance between speculation and trade activity, between which the line is sometimes very fine.

In any event the investment buyers do not establish the trends of the market. If the industrial demand is not available for raw materials, then the prices will tend lower over the longer term, whatever action the speculator takes.

The LME has the attraction of providing known prices, "ring," as opposed to the "fixing" by bullion brokers. But official quotations are confined to only three months ahead, although it is possible to trade with LME members for longer periods ahead, as with the bullion brokers.

The compromise seven months forward quotation has now been dropped from the LME contract in view of the lack of interest in trading for this peculiar time span, which satisfied neither the trade nor the forward speculator.

Nevertheless, if inflation fears are revived, or there is another bout of currency uncertainties, then interest in silver trading could rally sharply.

Meanwhile, there are ample known reserves available, although prices would have to rise substantially from present levels to make them worthwhile exploiting, or to justify any expansion in production.

But it is proving a hard struggle. The recession in the steel industry has hit sales hard — the main outlet for zinc — but the second most important market for zinc, galvanising, is also under pressure from competitive materials ranging from aluminium to plastics. The fixing is that there has been, like copper, a fundamental shift in demand patterns and it may take the industry some time to adjust to the new circumstances.

Meanwhile, there are ample known reserves available, although prices would have to rise substantially from present levels to make them worthwhile exploiting, or to justify any expansion in production.

LME dealers, therefore, are hopeful that their zinc market will continue to assume a more important role as a realistic pricing medium, on which in-house purchases or supply contracts.

Most zinc producers and many consumers, are extremely reluctant to abandon the stability of pricing introduced when it was decided to switch from the LME to a producer price basis in 1964. They are making strenuous efforts to halter the producer price by production cutbacks.

But it is proving a hard struggle. The recession in the steel industry has hit sales hard — the main outlet for zinc — but the second most important market for zinc, galvanising, is also under pressure from competitive materials ranging from aluminium to plastics. The fixing is that there has been, like copper, a fundamental shift in demand patterns and it may take the industry some time to adjust to the new circumstances.

Meanwhile, there are ample known reserves available, although prices would have to rise substantially from present levels to make them worthwhile exploiting, or to justify any expansion in production.

BILLITON-ENTHOVEN METALS COPPER - TIN LEAD - ZINC - SILVER

Ring Dealing Member of the London Metal Exchange Member of the Billiton Group

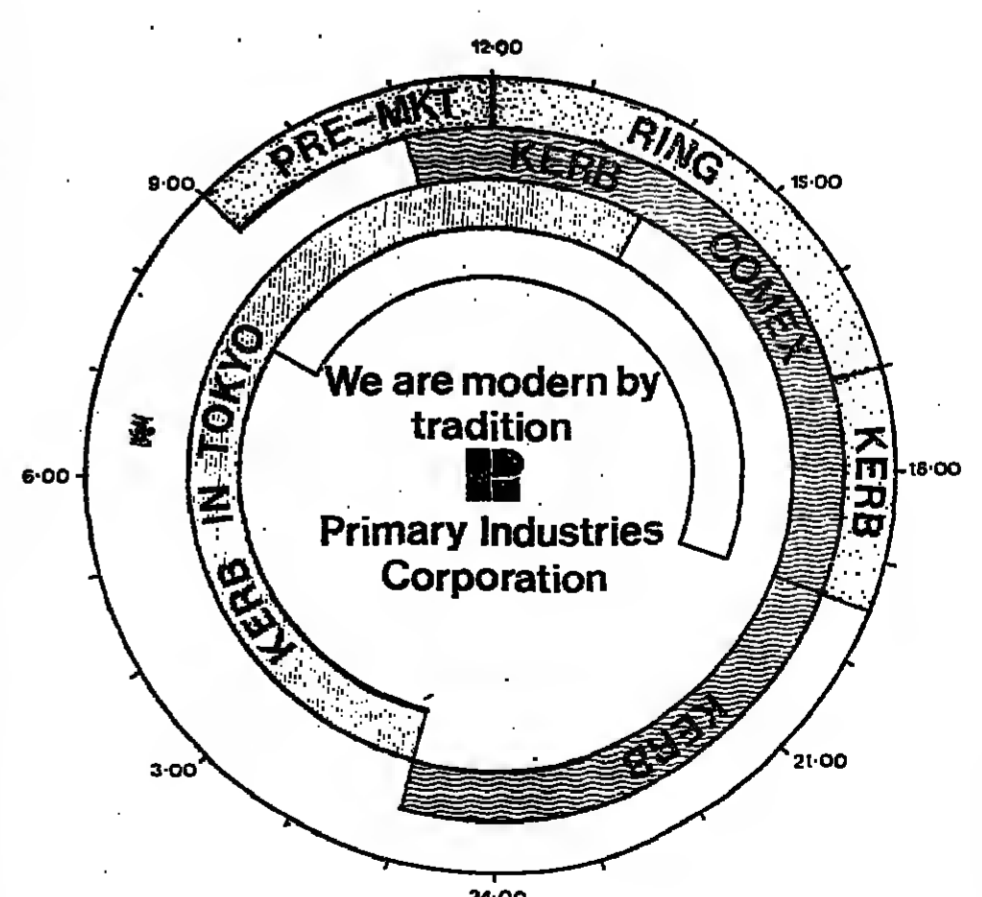
Information is knowledge EUROCHARTS INFORMATION SERVICE IS THE MOST ADVANCED TECHNICAL RESEARCH AND ADVISORY SERVICE ON THE LONDON COMMODITY MARKETS

SILVER

LEAD/ZINC

LONGONEX LTD 29 MINGING LANE LONDON EC3R 7EU 01-623 2870 MIKE BROWN

PRIMARY METAL AND MINERAL CORPORATION 666 FIFTH AVENUE NEW YORK, NY 10019 U.S.A. 212-581-9200 DAVID THRELKELD



PRIMARY INDUSTRIES (FAR EAST) CORPORATION 9-20 AKASAKA 1-CHOME MINATO - KU 585 5361 KOSUKE IWAI

PRIMARY INDUSTRIES TRADING G.M.B.H. KASERNENSTRASSE 24 4000 DUSSELDORF 1 WEST GERMANY 8.04.11 ANDY MACINTYRE

THE GUINNESS PEAT GROUP WILSON SMITHETT & CORE LTD L.M.E. RING DEALING MEMBER 32, ST. MARY AT HILL, LONDON EC3P 3AJ

Gill & Duffus - Metals The Metals Division of Gill & Duffus Limited. Ring dealing members of the London Metal Exchange. Advisers in L.M.E. hedging and financing operations.

LONDON METAL EXCHANGE IV

International Insurance Brokers



Alexander Howden Insurance Brokers Limited
22 Billiter Street, London EC3M 2SA
Telephone: 01-488 0808. Telex: 882171

Ring Dealing Members of the
London Metal Exchange
Philipp & Lion

Established 1909

Moor House, Tel: 01-628 3060, 01-638 0088.
London Wall, Cables: Cufeniag; London, E.C.2.
London EC2Y 5AR. Telex: 888555, 888556.

GOLD LEADS METALS RECOVERY

Use the world's most comprehensive commodities, metals and currencies service to profit from a recovery in metals prices.
Send for a single issue, £5; eight week trial, £20; one year subscription, £110 (to Europe, £135; U.S.A. \$300) to:
CHART ANALYSIS LIMITED
194-200 Bishopsgate, London EC2M 4PE

The future for options

OPTIONS TRADING represents only a small portion of the aggregate trading volume handled through the LME, but for the past year options have been one of the most publicised and closely scrutinised LME activities.

Responsible for bringing the topic of London metal options to the fore was the U.S. Commodity Futures Trading Commission (CFTC), which earlier this year published its proposed regulations for a three-year pilot programme of commodity options trading in the U.S.

Protest

The CFTC proposals generated a storm of protest from the LME and other London commodity exchanges, on several counts. Foremost was the proposal that overseas exchanges be required to apply formally for "recognition" to the CFTC in order to be able to trade options on the U.S. market.

commodity options to be backed by an exchange with a clearing house system, which the LME does not have.

Both of these proposals were anathema to the LME, which flatly told the CFTC that the integrity of the LME as an independent body would be undermined by submitting to jurisdiction from an overseas regulatory body.

In the end the CFTC withdrew its insistence on a clearing house and formal recognition, when it published revised options trading regulations at the end of August. The LME had won a major victory in principle.

This moral victory was unquestionably important to the international reputation and integrity of the LME. Its financial benefit in London metal dealers, however, is negligible. The fact is that metal options trade between London and the U.S. market has already declined rapidly because of the CFTC requirement for segregation of customer funds. When options trading commences next year on U.S. exchanges, much of this

business could disappear entirely.

Put simply, the grantor of a metal option gives his customer the opportunity to buy or sell (or do either) a contracted quantity of metal on a certain future date (the "prompt" date) at a price agreed in advance (the "striking" price) by the grantor and his customer.

Premium

The preponderance of options transactions are "call" options, to which the customer pays the grantor a premium for the right to buy metal at the striking price on the prompt date. The most commonly traded metal options have traditionally been in copper and silver.

The real heyday of options trading came during the commodities boom of 1973-75, when metal buyers were willing to pay a dealer premium in return for the security of an option day, as there is on the "soft" price, and speculators were anxious to cash in on skyrocketing metal prices.

During that period nearly all metal options transactions were in copper and silver, the two markets with the greatest liquidity, where the grantor could be reasonably assured of the opportunity to hedge adequately.

When prices are relatively stable, the attraction of options is greatly diminished. As a result 1975 was a very dull year for options traders.

When prices picked up early in 1976, and later fell back rapidly, the options market once again became very active, and remained so through early 1977, until the combination of the CFTC segregation rule and lack of performance of most metal prices combined to reduce interest in options.

It is very difficult to quantify the volume of trading in metal options, because on the LME there is no statement of open interest on options transactions at the end of each day, as there is on the "soft" commodity exchanges.

In London the vast majority of metals options transactions

are handled through a small handful of firms, for which options represent a big part of their business. In aggregate terms, however, the volumes of options traded represent a very small portion of total LME business.

It is generally reckoned by London options dealers that a CFTC rule on segregation of funds has reduced their options sales to the U.S. by anywhere between 50 and 80 per cent.

Even so U.S. business still probably accounts for slightly over half the metal options granted by London dealers.

Trickle

Until quite recently copper and silver options accounted for virtually all of the volume in metal options. The market for silver options, however, has been reduced to a mere trickle as a result of the relatively stable price pattern of late.

Although trade in silver options has declined dramatically since 1974, dealers have since begun selling lead and zinc, tin, platinum and even aluminium options.

At present lead is rivalled by copper as the most actively traded metal option, with an average daily turnover estimated in excess of 3,000 tons for each metal, according to some dealers.

The recent buoyancy and volatility of tin prices has even

COC
RING DEALING MEMBERS
PRIDE IN THE PAST AND CONFIDENCE IN THE FUTURE

The Main Dealing Room in our New Offices, specifically designed to meet clients' needs for even better SERVICE COMMUNICATION RELIABILITY

CONTINENTAL ORE EUROPE LTD.,
18, ROOD LANE, E.C.3
TEL: (01) 623 3621 TELEX: 886269
HEAD OFFICE 19 GRAFTON STREET, W1X 4HL

How the LME works

THE LONDON Metal Exchange has seen many developments in its 100 years of existence, but the basic principles of the trading system have shown little change and the same strict requirements are insisted upon from members as in the days of top hats and elegantly rolled umbrellas.

The operating structure of the LME is somewhat unusual by normal standards, so it should be explained that it is really an aid with two heads—both working closely in unison. The Exchange itself is owned by the Metal Market and Exchange Company, which has its own Board of directors and, apart from being responsible for all the logistics of running the building, is responsible in the final analysis for the financial standing and stability of all the members.

The executive arm, so far as day-to-day business is concerned, is the Committee of Subscribers. Its responsibilities range from the assessment of daily prices to the formation of new contracts. It is headed by the Standing Committee, consisting of the chairman and vice-chairman of the Committee itself and five other senior members, which is responsible for day-to-day market discipline and would act if necessary to investigate any disputes that might arise over business transactions. There is also a Quotations Committee which has direct responsibility for the daily assessment of prices. The two main bodies are loosely known as the House of Lords and the House of Commons and work in joint session on all major matters of policy.

The Committee of Subscribers is elected by members in March each year with the new committee assuming office in the following month. The Board is also elected by the subscribers, and of its nine members three

retire each year in rotation and may offer themselves for re-election. Like the members of the House of Lords across the river, their stay in office tends to be of a more permanent nature. It may seem, on the surface, that the LME is rather too well endowed with Boards and Committees, but the system seems to work well in practice.

To become a member of the Exchange, an applicant must be proposed by one existing subscriber and seconded by another. If elected he must acquire a minimum of two shares in the Metal Market and Exchange Company. The basic qualification for any applicant, apart from an expected knowledge of the metals business, is that he be a director or partner in his company or firm. In addition, if he is from a firm two-thirds at least of his fellow partners must be British subjects and domiciled within the British Commonwealth. The same applies to applicants from companies, but here three-fifths of the directors must be British subjects.

Discretion

Although the election of subscribers as such is a matter left to the discretion of the Board, the granting of the privilege to deal in the ring—the centre of the Exchange around which all trading is undertaken by open outcry at specified times during the day—is a joint decision of the Board and the Committee. Both categories of subscribers are only asked to contribute a nominal sum in terms of membership fees, but for those aspiring to ring dealing membership the matter is quite different.

All ring dealing members have to satisfy extremely exacting financial requirements. All companies represented in the ring must show at least a six-figure margin of solvency and provide a bank guarantee of very substantial proportions. If the subscriber represents a subsidiary company, the parent company has to put up the same guarantees. These safeguards are necessary because every ring-dealing member of the Exchange has to carry the full responsibility for every contract he enters into: there is no central clearing house system as

World Copper Statistics Since 1950

This report is a comprehensive statistical compendium of the statistics on a country basis world wide relating to copper for the period 1950 through to 1976. It draws together in one volume the unique collection of copper statistics assembled by the World Bureau of Metal Statistics, over the last quarter of a century and gives detailed figures on copper production and consumption from mine through to end-use by markets.

The data displayed in 25 tables is accompanied by a useful commentary, which explains its origin and relevancy in the context of the study as a whole.

"World Copper Statistics Since 1950" is an invaluable guide to the long-term trends in the copper world, and will be a useful source book for members of the copper industry itself, commodity analysts, economic model builders, and anyone wishing to understand the factors underlying the history of the copper industry over the last quarter of a century.

This volume, price £400, is available from the World Bureau of Metal Statistics, Crest House, 7 Highfield Road, Edgbaston, Birmingham B15 3ED. Tel: 021-454 7766. Telex: 339161.

FINANCIAL EXPERTS REASSESS COMMODITIES—HAVE YOU?

Free reprint of an article comparing results of investment in commodities with alternatives will be sent to you if complete and return this coupon:

Grosvenor Commodity Investments Ltd
4 Grosvenor Place,
London, S.W.1. Tel: 01-235 0791.

Name
Address
Tel. No.

More and more influential business and professional people are regularly taking the

World Commodity Report

produced by **FINANCIAL TIMES BUSINESS NEWSLETTERS** where 'Specialist subjects receive specialist attention'.

If your business interests demand regular information about the world's commodities, please complete and forward this advertisement, and we will send you a free sample copy.

Name
Organisation
Address

Send to: Subscriptions Dept (WCR), Financial Times Ltd, Bracken House, Cannon Street, London EC4A 4BY.
FT 19/10/1 WCR

POLISH COPPER

FROM THE HEART OF EUROPE

impexmetal
State Import-Export Corporation,
7/9 Lucka Street, Warsaw.
Tel: Warsaw 20-70-5120-50-01
Telex: 814371813372

Our sole representative in U.K.:
FLY and Metals Ltd.,
25 Lombard Lane,
London EC1A 3HA,
Tel: 01-506 12723

LME MEMBERSHIP

METALS TRADED ON THE L.M.E.
Copper 4 Tin
Lead 2 Zinc
Silver

1. Metallgesellschaft Ltd.
2. Leopold Lazarus Ltd.
3. Gill & Duffus Metals Ltd.
4. Rudolf Wolf & Co. Ltd.
5. Anglo Chemical Metals
6. Henry Bath & Sons Ltd.
7. Gerald Metals Ltd.
8. Continental Ore (Europe) Ltd.
9. Cominon (U.K.) Ltd.
10. H. P. Thompson & Sons Ltd.
11. Amalgamated Metal Trading Ltd.
12. Associated Lead Manufacturers Ltd.
13. Maelaine Watson & Co. Ltd.
14. Intrel
15. Triland Metals Ltd.
16. Meidist Ltd.
17. Brandeis Goldschmidt & Co. Ltd.
18. Billiton-Enthoven Metals Ltd.
19. Ametaleo Trading Ltd.
20. J. H. Rayner (Mining Lane) Ltd.
21. Cerro Metals (U.K.) Ltd.
22. The Commercial Metal Co. Ltd.
23. Lonconey Ltd.
24. Philipp & Lion
25. Tennant Trading (Metals) Ltd.
26. Entores (Metal Brokers) Ltd.
27. Wilson Smithart & Coe Ltd.
28. Charles Davis (Metal Brokers) Ltd.

Positions shown in black are vacant seats.

Joshi, M. K.

هكذا ان الأصل

FARMING AND RAW MATERIALS

earer lead warning

Financial Times Reporter... ER BREAD prices are likely to be within a few months of the wet harvest and Common Market grain...

ool use ill in oldrums

of wool in the major countries generally depressed, the Australia Wool Corporation says in its monthly report.

Japan will buy stranded Australian sugar

BY OUR COMMODITIES STAFF... JAPANESE sugar refiners have said they will pay more than \$480m to buy 213,000 tonnes of Australian sugar stranded in the Bay during the draw-out...

negotiator in Tokyo for CSR Ltd... exchange and has warned the Commodities Futures Trading Commission to be careful not to legitimise non-competitive practices in other commodity markets.

World tea pact hopes rise

BY OUR COMMODITIES STAFF... THE WORLD'S major tea producing nations are closer than ever to an international tea agreement which would regulate world production and trade through a system of price ranges and regulating stocks...

At this week's London tea auction, prices rose modestly in response to a continued improvement in consumer demand.

New cocoa deficit predicted

THE INTERNATIONAL Cocoa Organisation statistics committee has made a first forecast for 1977/78 of a 33,000 tonne deficit in world production against grindings.

BASE METALS

Continuing surplus of copper forecast

BY JOHN EDWARDS, COMMODITIES EDITOR... COPPER PRODUCTION will continue to exceed consumption in 1977 and 1978, and will remain in surplus supply until 1982.

New U.S. gold contract

WASHINGTON, Oct. 18... THE COMMODITY Futures Trading Commission has approved the New York Mercantile Exchange's application to trade in a new 400-ounce gold futures contract.

India expects heavy summer harvest

BY K. K. SHARMA... AS THE summer crop harvest gets under way in India, Government officials are forecasting yet another round of bumper crop.

COMMODITY MARKET REPORTS AND PRICES

Table with multiple columns for various commodities like Wheat, Rice, Sugar, etc., showing prices and changes.

PRICE CHANGES

Table showing price changes for various commodities, including metals and grains.

U.S. Markets

Table showing U.S. market prices for various commodities like copper, silver, and gold.

Advertisement for 'Wolff's Guide to the L.M.E.' (London Metal Exchange) providing details on trading and market information.

Advertisement for Rudolf Wolff & Co. Ltd. featuring various commodity reports and market analysis.

Advertisement for SOYABEAN MEAL, detailing market reports and prices.

Advertisement for SUGAR, providing market reports and price information.

Advertisement for WOOL FUTURES, detailing market reports and price information.

Advertisement for FINANCIAL TIMES, providing details on subscription and advertising rates.

Advertisement for RETURERS, providing details on services and contact information.

Advertisement for ALCAN SMELTER WAGE DEAL, detailing the agreement between Alcan and its workers.

STOCK EXCHANGE REPORT

Gilts and equities rise on encouraging signs on wages

Bear closing and genuine buying takes index up 14 to 513.1

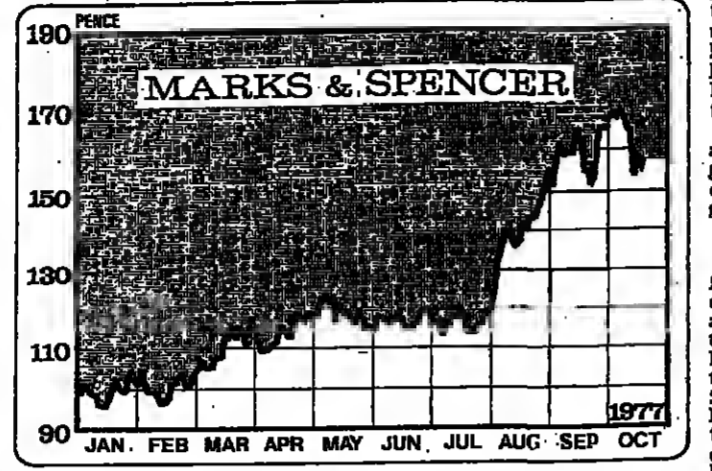
Account Dealing Dates
Optima
First Declara- Last Account
Dealings Dealings Day
Oct. 3 Oct. 13 Oct. 14 Oct. 25
Oct. 17 Oct. 27 Oct. 28 Nov. 8
Oct. 31 Nov. 10 Nov. 11 Nov. 22

Issues were at a rather low level. Nevertheless, they were quick to respond to scattered demand in the prevailing thin conditions and gains of 1 1/2 per cent, 1894, and Treasury 1 1/2 per cent, 1997, were both up by this much at 1 1/2 and 1 1/2 respectively.

Stores buoyant
A good late demand helped leading stores to close at the day's best with sentiment helped by the latest retail sales figures.

Stag, 6 up at 103p, Parker Knoll 6, 6 higher at 103p, and Stonehill 4, 4 higher at 82p. Associated Leisure rose 6 to 56p, and Highgate Optical 7 to 40p.

Improved 7 to 189p in Financials were gains of 3 were seen in Charterhouse, 58p, and London Merchant Securities, 74p. Arkwright and Smithers regained 5 1/2 at 230p.



Oil's fair value late
After a fairly quiet start, buying interest in Oils began to have a noticable effect around mid-afternoon and closing prices were the best of the day.

Gold's pause
The continuing firmness of the investment currency premium and arbitrage rate enabled South African gold to hold and in some cases improve their overnight levels.

ENTERTAINMENT GUIDE
OPERA & BALLET
GARRICK THEATRE 01-836 4861
MAGGIE BLOOM
THE ROYAL OPERA HOUSE
COVENT GARDEN
THEATRES
ADELPHI THEATRE
LONDON THEATRE
THEATRE
THEATRES

RECENT ISSUES
EQUITIES
FIXED INTEREST STOCKS
"RIGHTS" OFFERS
ACTIVE STOCKS

FT—ACTUARIES SHARE INDICES

Table showing FT-Actuaries Share Indices for various equity and fixed interest groups as of Tuesday, October 18, 1977. It includes indices for 100 shares, 1000 shares, and 10000 shares, with columns for index number, day's change, and weekly, monthly, and yearly changes.

FINANCIAL TIMES STOCK INDICES
Table showing various stock indices like Government Sec., Fixed Interest, Industrial Ordinary, etc., for Oct 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31.

HIGHS AND LOWS S.E. ACTIVITY
Table showing high and low prices for various stock categories like Govt. Sec., Fixed Int., Ind. Ord., Gold Mines.

OPTIONS TRADED
DEALING DATES
Table showing first, last, and deal dates for various stock options.

NEW HIGHS AND LOWS FOR 1977
RISES AND FALLS YESTERDAY
Table listing new highs and lows for 1977 and the previous day's rises and falls for various securities.

CONTINUED ON PAGE 3

AUTHORISED UNIT TRUSTS

OFFSHORE AND OVERSEAS FUNDS

Table of Authorised Unit Trusts with columns for Trust Name, Manager, and various performance metrics.

Table of Offshore and Overseas Funds with columns for Fund Name, Manager, and various performance metrics.

Table of Base Lending Rates for various banks and financial institutions.

INSURANCE, PROPERTY, BONDS

Table of Insurance, Property, and Bond products with columns for Product Name, Provider, and details.

Table of Base Lending Rates (continued) for various banks and financial institutions.

Advertisement for a stock exchange broker with contact information and a phone number (01 246 3026).

Advertisement for CLIVE INVESTMENTS LIMITED, including contact details and a list of insurance base rates.

Brown Shipley the right size for your merchant bank Founders Courts London London EC2R 2EJH

FT SHARE INFORMATION SERVICE

HOTELS-Continued

AMERICANS-Continued

BUILDING INDUSTRY-Cont.

DRAPERY AND STORES-Cont.

ENGINEERING-Continued

**BRITISH FUNDS

Table of British Funds with columns for Name, Price, and Change.

Shorts (Lives up to Five Years)

Table of Short-term investments with columns for Name, Price, and Change.

Five to Fifteen Years

Table of Medium-term investments with columns for Name, Price, and Change.

Over Fifteen Years

Table of Long-term investments with columns for Name, Price, and Change.

Undated

Table of Undated investments with columns for Name, Price, and Change.

**INTERNATIONAL BANK

Table of International Bank shares with columns for Name, Price, and Change.

**CORPORATION LOANS

Table of Corporation Loans with columns for Name, Price, and Change.

COMMONWEALTH & AFRICAN LOANS

Table of Commonwealth & African Loans with columns for Name, Price, and Change.

FOREIGN BONDS & RAILS

Table of Foreign Bonds & Rails with columns for Name, Price, and Change.

AMERICANS

Table of American stocks with columns for Name, Price, and Change.

CANADIANS

Table of Canadian stocks with columns for Name, Price, and Change.

BANKS AND HIRE PURCHASE

Table of Banks and Hire Purchase companies with columns for Name, Price, and Change.

Hire Purchase, etc.

Table of Hire Purchase, etc. companies with columns for Name, Price, and Change.

BEERS, WINES AND SPIRITS

Table of Beers, Wines and Spirits companies with columns for Name, Price, and Change.

LOANS (Miscel.)

Table of Miscellaneous Loans with columns for Name, Price, and Change.

CHEMICALS, PLASTICS

Table of Chemicals and Plastics companies with columns for Name, Price, and Change.

CINEMAS, THEATRES AND TV

Table of Cinemas, Theatres and TV companies with columns for Name, Price, and Change.

DRAPERY AND STORES

Table of Drapery and Stores companies with columns for Name, Price, and Change.

ELECTRICAL AND RADIO

Table of Electrical and Radio companies with columns for Name, Price, and Change.

ENGINEERING MACHINE TOOLS

Table of Engineering Machine Tools companies with columns for Name, Price, and Change.

FOOD, GROCERIES, ETC.

Table of Food, Groceries, etc. companies with columns for Name, Price, and Change.

HOTELS AND CATERERS

Table of Hotels and Caterers companies with columns for Name, Price, and Change.

INDUSTRIALS (Miscel.)

Large table of Industrial (Miscellaneous) stocks with columns for Name, Price, and Change.

Handwritten signature or mark at the bottom center of the page.

INDUSTRIALS—Continued

Table of industrial stocks including Anglo American, Anglo Coal, Anglo Oil, Anglo Steel, Anglo Zinc, Anglo Lead, Anglo Copper, Anglo Iron, Anglo Nickel, Anglo Tin, Anglo Silver, Anglo Platinum, Anglo Gold, Anglo Uranium, Anglo Potash, Anglo Soda, Anglo Glass, Anglo Paper, Anglo Textiles, Anglo Chemicals, Anglo Pharmaceuticals, Anglo Electronics, Anglo Telecommunications, Anglo Transport, Anglo Energy, Anglo Utilities, Anglo Real Estate, Anglo Finance, Anglo Insurance, Anglo Services, Anglo Miscellaneous.

INSURANCE—Continued

Table of insurance stocks including Anglo Assurance, Anglo Life, Anglo Fire, Anglo Marine, Anglo Motor, Anglo Aviation, Anglo Marine, Anglo Life, Anglo Fire, Anglo Marine, Anglo Motor, Anglo Aviation, Anglo Marine, Anglo Life, Anglo Fire, Anglo Marine, Anglo Motor, Anglo Aviation.

PROPERTY—Continued

Table of property stocks including Anglo Property, Anglo Real Estate, Anglo Development, Anglo Construction, Anglo Infrastructure, Anglo Energy, Anglo Utilities, Anglo Transport, Anglo Services, Anglo Miscellaneous.

INV. TRUSTS—Continued

Table of investment trusts including Anglo Investment, Anglo Trust, Anglo Fund, Anglo Portfolio, Anglo Equity, Anglo Bond, Anglo Income, Anglo Growth, Anglo Dividend, Anglo Capital, Anglo Income, Anglo Growth, Anglo Dividend, Anglo Capital.

FINANCE, LAND—Continued

Table of finance and land stocks including Anglo Finance, Anglo Land, Anglo Banking, Anglo Insurance, Anglo Services, Anglo Miscellaneous.

International Finance DAIWA SECURITIES

MOTORS, AIRCRAFT TRADES

Table of motors and aircraft trades including Motors and Cycles, Commercial Vehicles, Components, Garages and Distributors.

SHIPBUILDERS, REPAIRERS

Table of shipbuilders and repairers including Shipbuilders, Repairers, Shipping.

SHIPPING

Table of shipping companies including Shipping, South Africans.

SOUTH AFRICANS

Table of South African stocks including South Africans, Textiles.

TEXTILES

Table of textile stocks including Textiles, Property, Tobacco.

PAPER, PRINTING ADVERTISING

Table of paper, printing, and advertising stocks including Paper, Printing, Advertising.

PROPERTY

Table of property stocks including Property, Tobacco.

TOBACCO

Table of tobacco stocks including Tobacco, Trusts, Finance, Land.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land stocks including Trusts, Finance, Land.

OILS

Table of oil stocks including Oils, Overseas Traders.

OVERSEAS TRADERS

Table of overseas traders including Overseas Traders, Rubbers and Sisals.

RUBBERS AND SISALS

Table of rubbers and sisals including Rubbers and Sisals, Teas.

TEAS

Table of tea stocks including Teas, Sri Lanka, Africa.

SRI LANKA

Table of Sri Lankan stocks including Sri Lanka, Africa.

AFRICA

Table of African stocks including Africa, Mines.

MINES

CENTRAL RAND

Table of Central Rand mines including Central Rand, Eastern Rand.

EASTERN RAND

Table of Eastern Rand mines including Eastern Rand, Far West Rand.

FAR WEST RAND

Table of Far West Rand mines including Far West Rand, O.F.S.

O.F.S.

Table of O.F.S. stocks including O.F.S., Finance.

FINANCE

Table of finance stocks including Finance, Diamond and Platinum.

DIAMOND AND PLATINUM

Table of diamond and platinum stocks including Diamond and Platinum, Options.

MINES—Continued

CENTRAL AFRICAN

Table of Central African mines including Central African, Australian.

AUSTRALIAN

Table of Australian mines including Australian, Tins.

TINS

Table of tin stocks including Tins, Copper.

COPPER

Table of copper stocks including Copper, Miscellaneous.

MISCELLANEOUS

Table of miscellaneous stocks including Miscellaneous, Notes.

NOTES

Notes section containing various financial notes and disclaimers.

Recent Issues and Rights Page 36

Text regarding recent issues and rights, including a note about the service being available to every company.

REGIONAL MARKETS

Text regarding regional markets, listing various regional stock exchanges and their performance.

OPTIONS

3-month Call Rates

Table of 3-month call rates for various stocks and options.

Options

Text regarding options trading, including a note about the service being available to every company.

Options

Text regarding options trading, including a note about the service being available to every company.

Options

Text regarding options trading, including a note about the service being available to every company.

Options

Text regarding options trading, including a note about the service being available to every company.

Options

Text regarding options trading, including a note about the service being available to every company.

Options

Text regarding options trading, including a note about the service being available to every company.

Options

Text regarding options trading, including a note about the service being available to every company.

Options

Text regarding options trading, including a note about the service being available to every company.

Options

Text regarding options trading, including a note about the service being available to every company.

Options

Text regarding options trading, including a note about the service being available to every company.

Options

Text regarding options trading, including a note about the service being available to every company.

Options

Text regarding options trading, including a note about the service being available to every company.

Options

Text regarding options trading, including a note about the service being available to every company.

Options

Text regarding options trading, including a note about the service being available to every company.

Options

Text regarding options trading, including a note about the service being available to every company.

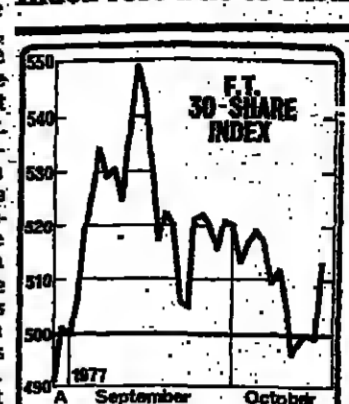
BUY BRITISH STEEL FROM... WE STOCK... 1800-181-2264... 4300-434... LLOYD'S GRADE... TEL: 01-647-4221... TELE: 027345

THE LEX COLUMN

Volume growth at Marks & Spencer

The highlight of Marks and Spencer's interim figures is the claim that non-food sales in the U.K. have risen by 8 per cent, against a decline for the whole sector.

Index rose 14.0 to 513.1



Mr. Rees was speaking in Manchester after the first round of police pay negotiations in London had ended with little apparent progress. The Home Secretary said that a number of groups of workers considered themselves "special cases" who should receive increases outside the Government's 10 per cent pay guidelines.

anyone holding statement. But it will certainly have its work cut out if it wants to oppose this approach. Admittedly the railwaymen discovered in their unsuccessful attempt at Standard Trust formula bids like this have the complication of not presenting a fixed price to shareholders.

well, the growing world shipping surplus is starting to flow into liner trade margins. While the bulk shipping division is just about breaking even with one vessel—chartered until 1980—supporting the rest of the fleet.

Brooke Bond

Brooke Bond's profits for year to June are a shade of Jusa's rights issue for at £49.8m., against £26.1m. in 1976. But historic cost is more than usually more for a period during the tea price mire doubled. On a current basis, the cost of sales is no less than £1.5m. and ACT provisions require more than £20m. easy to see why Brooke did not use its rights as an excuse to raise the dividend by more than 10 per cent.

The fact that the tea has subsequently dropped more than two-fifths in April peak might appear to have ominous implications, reported profits in the year. But Brooke Bond hopeful that its latest will not turn out to be dismal. Its non-tea division is apparently accounted for a fifth of the company's operating profits from £22m. and margins are higher than a year ago, when prices were lagging by a surge in the auction.

Furness Withy

The Furness Withy share price has been buoyed up for months by bid hopes and not too much thought has been given to the deteriorating conditions in most of its major shipping markets. However, yesterday's interim results helped set the record straight and the shares slipped 11p to 332p as a consequence.

At the pre-tax level, profits are 16 per cent higher at £13.5m. but after stripping out an extra £2.1m. of ship sale profits (principally the Furness Bridge) and a £2.5m. increase in associate income (mainly the OCL contribution), KW's trading profits are down by nearly 10 per cent.

Manchester Liners' profits are virtually unchanged but though times grossly overvalued dividend paying power.

A few words about Tokai Bank's expanding international operations.

Advertisement for Tokai Bank featuring a cartoon illustration of a man in a suit talking to a woman. Text includes: 'As you might know, Tokai Bank is one of the leading banks in the world with over 15,000 employees and 200 offices established in Japan itself.' 'At present we have over 20 offices and affiliates around the world, and today we opened in Hong Kong. And recently opened in Paris.' 'Currently we're serving the world through loans. And also lending something as valuable as money. Financial advice gained through over 100 years of banking experience.'

Rees hint of special deal for police

By David Churchill and Rhys David

A STRONG HINT that the Government may try to stave off a potential police strike and allow a "back-door" pay deal by taking account of the police's vital role in maintaining order was given yesterday by Mr. Merlyn Rees, Home Secretary.

Earnings

Mr. James Jardine, chairman of the Police Federation, which represents 110,000 police officers in England and Wales, said last night that he welcomed any formula the Government could find to pay police a realistic wage.

Continued from Page 1

Leyland

recalling the conference later. In the event, the decision to accept the package went through by a big majority after a powerful speech by Mr. Scanlon. Mr. Evans estimated it at 160 to 100. Most of the TGWU men voted against. They represent about 55 per cent of the workers, according to the company, 66 per cent or more according to the union.

Ford workers move towards accepting 12% pay offer

BY PAULINE CLARK, LABOUR STAFF

THE CHANCES that Ford workers in Britain will finally opt to avoid confrontation with the Government on pay this year improved further yesterday as more than 5,000 shop-floor votes went overwhelmingly in favour of acceptance of the company's 12 per cent offer.

Counting Monday's mass meeting results, yesterday's voting by 2,700 day shift workers at Basildon, 2,000 at Southampton, 400 at Aveley and about 1,000 at Leamington, brings the total number to please strong support for the offer to about 12 per cent of the total workforce.

Strike warning over Shell staff cuts

BY RAY DAFTER, ENERGY CORRESPONDENT

SHELL U.K. OIL is cutting staff by about 400 because of the depressed state of the oil products market. But it has been told by the Association of Scientific, Technical and Managerial Staffs, whose members will be involved in the cuts, that enforced redundancies could lead to a strike at Shell oil refineries.

Britain opens way to progress in EEC textile import talks

BY GUY DE JONQUIERES, COMMON MARKET CORRESPONDENT

THE WAY was opened for formal negotiations to start between the EEC and about 30 textile supplier countries today when Britain lifted its veto on the European Commission's negotiating mandate.

New York \$95 return

By Michael Danna, Aerospace Correspondent

JETSAVE, the cheap-fare transatlantic charter operator, is to offer rates as low as \$95 London-New York return, next summer in competition with Skytrain and Stand-By and Budget-Plan fares.

Central hijack plot suspected

BY IHSAN HIJAZI

THE HIJACKINGS of the Luftansa jet and of a JAL airliner by Japanese Red Army terrorists recently, may both have been planned by a central organisation in Beirut.

MPs seek Scottish inquiry

BY IHSAN HIJAZI

THE GOVERNMENT is to be urged to set up a body to look into Scotland's penal system and sentencing policy, an all-party group of MPs announced in Edinburgh yesterday.

Saudis' key role

BY IHSAN HIJAZI

Soviet Union early this year to switch support to Ethiopia. The desire to maintain good relations with the Saudis is thought to be a reason for the surprising unreadiness of South Yemen to accept the hijackers, an aid is thought that East Germanys may also have helped to persuade them not to.

Weather

U.K. TO-DAY: EARLY fog with some rain. London, Cent. S. England, E. Anglia, Midlands. Early fog, some sun. Max. 16C (61F).

Table with columns for location, weather, and temperature. Locations include London, N.W. England, N.E. England, etc.

HOLIDAY RESORTS

Table with columns for location, weather, and temperature. Locations include Ajaccio, Aix-les-Bains, Biarritz, etc.